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WTO Director General Discusses 'Challenges'

BK2605113695 Singapore Radio Corporation of Singapore in English 1000 GMT 26 May 95

[FBIS Transcribed Text] The director general of the World Trade Organization [WTO] has spoken of the challenges facing the organization. Mr. Renato Ruggiero said these are maintaining the global trading system and rapidly enlarging its membership to include countries like China and Russia. Mr. Ruggiero, who was in Singapore, stated this today.

Wong Soo How with a report.

[Begin recording] [Wong] After a luncheon meeting with journalists this afternoon, Mr. Ruggiero spoke of the challenges facing the WTO.

[Ruggiero, in progress] ...the most biggest challenge is that we have to keep a system that for the first time is a global one and no more divided between industrialized countries and developing countries. We have to complete in the world a system by having China, by having Russia, by having the 25 candidates, who are now asking to become members of the WTO. So, really, if we want to move in a better world in improving the trading system, in enlarging the participation in the process for peace...

[Wong] On the current trade dispute between the United States and Japan, he had this to say.

[Ruggiero] What from my side I can say is that certainly I wish as a responsible of the Secretariat of the WTO that this dispute will be solved as quickly as possible and that the results of this dispute will be nondiscriminatory. I don't think that we have to overdramatize it. When you have some experience in international trading system, you know that these kinds of disputes have occurred, are occurring, and will continue to occur.

[Wong] Mr. Ruggiero added that the environment and labor standards issue are unlikely to be on the agenda of the first WTO ministerial meeting in Singapore next year.

Mr. Ruggiero today met Prime Minister Goh Chok Tong and called on Senior Minister Lee Kuan Yew before leaving for Bangkok. [end recording]

Views Japan-U.S. Dispute

BK2605080595 Hong Kong AFP in English 0749 GMT 26 May 95

[FBIS Transcribed Text] SINGAPORE, May 26 (AFP) — World Trade Organisation (WTO) chief Renato Ruggiero said Friday he was not rattled by prospects of arbitrating on the thorny US-Japan trade row, which he hoped would be settled early.

Ruggiero, who is here on his first overseas visit since taking office as the WTO's director-general on May 1, likened the fledgling organisation's role to that of a firefighter summoned to fight a blaze.

"When you call a fireman, he doesn't say 'Oh my god, there is a fire.' It is his duty (to fight the fire)," the former Italian trade minister said.

He was answering a question on the latest US-Japan trade row after addressing the Singapore Press Club.

The United States has threatened to slap punitive duties on 13 models of Japanese luxury cars in a bid to force Japan to widen access to its own automobile market. It has set a June 29 deadline for Japan to meet its demand.

Japan has called for urgent consultations under the WTO framework on the US threat.

Ruggeiro cautioned against "over-dramatising" the dispute, which he said was part of trade between countries.

"It will not be the first dispute. It will not be the last dispute," said the WTO chief, a former director of the Italian auto giant Fiat. "It is a complex dispute but not a new dispute."

"We are there just to face disputes and help in their settlement," Ruggiero said, expressing the hope that the dispute would be "solved as quickly as possible" within global trade rules.

Moscow Appeals to Australia on Joining APEC

LD2605090995 Melbourne Radio Australia in English 0800 GMT 26 May 95

[FBIS Transcribed Text] Russia has strongly urged Australia not to block Russian membership of APEC, the Asia-Pacific Economic Forum. Russia's ambassador to Canberra, Aleksandr Losyukov, said Australia's opposition to an expansion of APEC was an impediment to Russia joining the 18-member forum.

Mr. Losyukov said there were plans for Russia's president, Boris Yeltsin, to visit east Asia and Australia later this year to push Russia's case for membership of APEC. The ambassador said that on geographic grounds Russia had a stronger case than India to be the next economy to join APEC.

Mr. Losyukov said that Russia saw developing economic ties with the Asia-Pacific as a number one priority. He said Moscow wanted to develop an APEC consensus for Russian membership next year at the end of the three-year freeze on new members.

Keating: Japan Agrees on APEC Free Trade

LD2605122795 Melbourne Radio Australia in English 1100 GMT 26 May 95

[FBIS Transcribed Text] Australian Prime Minister Paul Keating has won strong support from Japan for APEC, the Asia-Pacific Economic Cooperation forum, to develop as a free regional trade grouping. Camille Funnell reports from Tokyo the move follows talks between Mr. Keating and Japan's Prime Minister Tomiichi Murayama.

[Funnell] Mr. Keating says Mr. Murayama agreed with the need to give substance to last year's Bogor agreement for free trade in the Asia-Pacific region by the year 2020. The prime minister says at this stage he has not sought any guarantee from Tokyo that Australia would not be harmed in any trade deal between the United States and Japan. But, he says, Japan is well aware of Australia's concerns over the current trade dispute between the two economic superpowers. Meanwhile, Mr. Keating has hailed a communique agreed to by both leaders, in which Japan welcomes Australia's moves to create its future in the Asia-Pacific region.

Former World Leaders Meet in Tokyo 23-26 May

OW2305141795 Tokyo KYODO in English 1058 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — Former presidents and prime ministers of 16 countries plus international affairs experts kicked off four days of talks Tuesday [23 May] to discuss global affairs and draw up proposals for submission to government leaders and decision-makers.

On the opening day of the annual Inter Action Council Conference, former West German Chancellor Helmut Schmidt, who chairs the conference, and former Japanese Prime Minister Takeo Fukuda, the honorary chairman, each delivered speeches offering their evaluation of the current world situation.

Fukuda gave a pessimistic view on the prospect of the 21st century, saying the world has to pay the price for consuming a huge amount of materials and lives during this century.

Touching on the subway gas attack in Tokyo in March, Fukuda called for international cooperation in coming up with effective measures against terrorism as soon as possible.

Schmidt said in his speech that he does not see "any reason for a pessimistic outlook on the immediate future" of the world until the turn of the century or the first decade of the next century.

"But in the longer run...the dangers of population explosion, development and environmental devastation...are looming," he said.

Prime minister Tomiichi Murayama, who attended the opening ceremony, said the end of the Cold War has boosted Japan's role in contributing to the solution of problems such as mutual distrust and poverty, by fully making use of its economic power and technology.

The conference at the United Nations University in Tokyo is the 13th meeting of the Inter Action Council, set up in 1983 as a way to have former leaders engage in frank discussions on various global problems without having to put priority on national interests.

The nearly 30 members meet annually to discuss ways to promote peace and disarmament in the world, rejuvenating the world economy, tackling population growth and achieving sustainable growth of energy and food.

Former South Korean President No Tae-u, former Canadian Prime Minister Pierre Trudeau and Andries Van Agt, former prime minister of the Netherlands, are among those attending the Tokyo conference.

Robert McNamara, former World Bank president, and Lester Brown, president of the Worldwatch Institute, are among those participating as special guests.

Among the topics to be discussed during the conference are evaluation on the current political and economic situation of the world, problems involving population growth and food supply, the future role of international organizations and regulations on the global financial market, organizers said.

The participants will adopt a final statement summarizing their discussions at the end of the conference and present the council's proposals directly to government leaders and other national decision-makers, heads of international organizations and influential individuals, the organizers said.

Japan

Tokyo Drafts 'Action Plan' for Halifax Summit

OW2605105195 Tokyo YOMIURI SHIMBUN in Japanese 25 May 95 Morning Edition p 2

[FBIS Translated Text] Japan has drawn up its action plan to deal with the Russian issue, which will become a major topic at the Halifax summit (the industrial nations' summit meeting) to be held in Canada beginning 15 June. According to the plan, Japan: 1) will confirm at the session of political discussions whether President Yeltsin intends to continue his reform policy; 2) will strongly urge a peaceful resolution of the Chechen issue; and 3) will not demand inclusion in the summit chairman's statement a reference to the northern territories issue.y

Meanwhile, as to the question of how President Yeltsin should participate in the summit, it is unlikely he will be invited to join in the session of economic discussions until the afternoon of 16 June. He will be asked to participate in the working dinner on the evening of 16 June, and the political discussions session on 17 June. This will be Russia's second time participating in the political discussions, the first being the Naples summit last year. The Halifax summit, following the practice set in the Naples summit, will not issue a "political statement," although there will be an "economic declaration" and the "chairman's statement" issued at the end.

Regarding the issue of supporting Russia, the summit participating countries (G-7) agreed that they should continue their support as long as a reform policy is maintained, but, according to a senior official of the Foreign Ministry, "there is major concern about whether the reform line will be maintained" following military interventions in Chechnya last December. Consequently, there are growing feelings among the G-7 countries that they ought to confer with President Yeltsin regarding the question of whether Russia will maintain its reform policy. Japan will has decided to join the other nations in doing so.

As for the northern territories issue, the summit nations' support for "a settlement" has been expressed in three political declarations beginning with the 1990 summit. But since the Tokyo summit in 1993, Japan has not insisted on the inclusion of the territories reference in the declaration as "there should be no need to mention it every time the summit is held" (according to the ministry official). That position will be maintained in the forthcoming summit.

Hashimoto Comments on Auto Talks With U.S.

Discusses Timing of Talks

OW2605034895 Tokyo KYODO in English 0333 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Trade Minister Ryutaro Hashimoto said Friday [26 May] he might meet with U.S. officials before a summit next month but indicated he would not discuss the fractious bilateral auto dispute.

The Ministry of International Trade and Industry (MITI) chief said he expects to go to the mid-June Group of Seven (G-7) summit but does not know if he will have time to meet his U.S. counterparts before then.

He stressed at a regular news conference after a morning cabinet meeting that there are other issues he would like to discuss, such as patents, which he did not have a chance to bring up at a just-finished conference in France.

Hashimoto repeated that Japan intends to deal with the auto issue under "international rules" at the World Trade Organization (WTO), but he did not specifically rule out meeting U.S. officials outside those Geneva talks.

He said Japan had received no formal reply from the United States on its request for the quick start of WTO talks as of Wednesday night, although U.S. officials have said they expect talks to begin Monday.

Hashimoto and other MITI officials made a flurry of visits to other leaders at the Paris conference of the Organization for Economic Cooperation and Development (OECD) but conspicuously did not meet formally with U.S. Commerce Secretary Ron Brown or Trade Representative Mickey Kantor.

He said it was "regrettable" that U.S. officials skipped the final OECD session Wednesday, which adopted a communique watering down Japan's oblique criticism of the U.S. drive for sanctions against Japan over the auto issue.

A Japan-pushed final draft of the OECD communique vowed to "avoid any measure inconsistent with the rules of the WTO, comply with and use the WTO multilateral dispute settlement system and avoid actions which hamper or weaken it."

But U.S. opposition forced the OECD to weaken the final document to a commitment to "ensure a strong and effective WTO with a well- functioning and respected dispute settlement system."

The MITI chief claimed some success in the lobbying blitz surrounding the Paris rich-nation conference but said the PR campaign failed to erase "vague" perceptions that the U.S. auto market is open while Japan's is closed.

Japanese officials bristle at the charge that the market is closed, and Hashimoto said that when he and other officials had a chance to present Japan's version of market share and other specific data, "nobody could respond."

Hashimoto said he told Brown in a brief encounter that he had been looking forward to talking with him and it was a pity that Brown had canceled a planned meeting for scheduling reasons. Brown, however, has been quoted as saying the U.S. got no request for a meeting.

Hashimoto noted that he also met briefly with Kantor and gave him a photo he had taken at the early may conference where the bilateral auto talks broke down. Hashimoto added with a grin that he told Kantor, "it's Fuji film."

In a potential new bilateral trade headache, Eastman Kodak Co. last week asked Kantor's office to investigate what it calls anticompetitive practices, especially by Fuji Photo Film Co. with the participation of the Japanese Government, that Kodak says keeps foreigners out of Japan's photo film and paper market.

Remains 'Ready To Negotiate'

OW2605074295 Tokyo KYODO in English 0733 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — International Trade and Industry Minister Ryutaro Hashimoto said Friday [26 May] he is ready to resume framework talks with the United States on auto and auto parts trade.

Responding to a question at the House of Representatives Committee on Commerce and Industry, Hashimoto said, "we will not close our path for future efforts and will remain ready to negotiate at any time" with the U.S.

Hashimoto also said he feared that employment problems would result if the U.S. implements its proposed sanctions on Japanese luxury cars, as announced last week after the rupture of bilateral talks.

Hashimoto said the government must consider how to cope with the employment matter.

Major Carmakers Respond to U.S. Sanctions

Toyota Threatens Suit

OW2605015595 Tokyo YOMIURI SHIMBUN in Japanese 25 May 95 Morning Edition p 7

[FBIS Translated Text] Toyota Motor Co., Ltd., disclosed on 24 May its intention to bring a case to the U.S. International Trade Commission if the United States actually imposes sanctions to open up the Japanese auto and auto parts market. The Toyota disclosure came in response to a U.S. Government announcement of 100-percent retaliatory tariffs on a list of Japanese luxury cars.

Toyota is believed to urge suspension of the punitive tariffs and is assuming a hard-line position, especially toward the U.S. plan to levy tariffs even on products that had passed customs before the United States decided on sanctions.

According to a senior official of a major auto maker, Japanese auto manufacturers "are considering taking every possible measure, including legal actions, to protect their companies."

Nissan Considers Litigation

OW2605112595 Tokyo KYODO in English 1059 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Nissan Motor Co. said Friday [26 May] it will stop producing three luxury car models subject to U.S. sanctions in early June but shipments of vehicles in stock will be continued.

The stoppage will affect production of over 500 cars, including the top of the line Infiniti model, company officials said.

Nissan, Japan's No. 2 automaker, will be the first Japanese automaker to halt production of luxury cars because of the U.S. threat to impose sanctions against Japanese auto imports.

Two other automakers, Honda Motor Co. and Mazda Motor Corp., have already suspended shipments of their luxury cars to the United States.

The U.S. Government unveiled last week a preliminary list of 13 Japanese luxury cars on which up to 100 percent punitive tariffs will be imposed, retroactive to last Saturday, unless a settlement is reached in sensitive automobile and auto parts trade between the two countries by late June.

Nissan said it will arrange a production program every 10 days while following developments in the Japan-U.S. negotiations.

The company said it may resort to litigation in the U.S. if sanctions are actually invoked.

Deadlocked Auto Talks With U.S. Discussed

OW2605114895 Tokyo SHUKAN DAIYAMONDO in Japanese 20 May 95 pp 8-10

[Article by Hideki Takahashi, SHUKAN DAIYAMONDO staff member: "Japan and the United States Clash Over Auto Trade: Collapse of the WTO More Dreadful Than Sanctions"]

[FBIS Translated Text] The U.S. Government finally began to notice last week: "Japan is refusing our demands in earnest. Japan is not what it has been." Negotiations on automobiles have become very confrontational due to a series of misperceptions of both Japan and the United States. Where is the solution to this problem?

Negotiations regarding automobiles and auto parts, which were held on 5 May in the suburbs of Vancouver in Canada between Ryutaro Hashimoto, international trade and industry minister, and Mickey Kantor, U.S. trade representative, resulted in a rupture. The situation has now reached the stage where the United States is going to impose sanctions in accordance with Section 301 of the U.S. Omnibus Trade Act in retaliation for the unfair trade practices of its trading partner.

The U.S. demands until October last year had been: 1) significantly more U.S. parts purchases by Japanese automakers and 2) substantially increased access to Japanese car dealers. However, when the Japanese side objected that increased U.S. parts purchases would lead to managed trade, the U.S. side made a new demand: 3) a loosening of the heavily regulated Japanese auto-repair sector.

The reason the U.S. side is going to apply Section 301 is that U.S. auto-parts makers have suffered damage due to the inaccessibility to Japanese auto-repair sector. Some $1 billion, the amount of sanctions, is calculated on the basis of that damage.

However, the greatest sticking point in the negotiations between Japan and the United States is in auto-parts purchasing plans.

Mondale, U.S. ambassador to Japan, visited five big Japanese automakers from late March to April. He read a prepared statement in front of each president of the manufacturers. He hinted that "increased auto-parts purchases will be very conducive to the dissolution of trade friction." He was careful in his wording so that he would not infringe on the rules of the World Trade Organization [WTO].

A Japanese auto official says: "On the basis of the impression gained on that occasion, incorrect information may have been reported to the United States that if further pressure is applied, Japanese automakers will break down and increased auto-parts purchases will be realized."

If we look back over history, it is natural for the U.S. side to think that increased pressure will break down Japanese automakers. When then U.S. President Bush visited Japan in January 1992, five big automakers further increased the amount of auto parts to be purchased that had just been presented to the U.S. side in November of the preceding year. This was made possible because then Prime Minister Miyazawa, who was afraid of the deterioration of the Japan-U.S. relationship, held the reluctant auto industry down through the Ministry of International Trade and Industry by telling them to "act more like a man."

In the past, too, there were instances in which Japan had finally backed down when it was threatened with sanctions, such as self-restraint on exports, semiconductors, and mobile communications. The Determination and Objectives of Minister Hashimoto, Who Urged a Change of Direction Toward a More Principled Stance [subhead]

Afterward, the auto industry showed considerable distrust toward the government and government agencies: "The presentation of a plan to increase further auto-parts purchases will not lessen U.S. demands at all."

Moreover, there was a rapid deterioration in domestic production and management situations in the auto industry as a whole. Taizo Yokoyama, managing director of Mitsubishi Motors Corporation, says: "When Bush visited Japan, we could afford to get along somehow because we produced 13,250,000 automobiles domestically. At present, however, we are not sure if we can produce 10 million automobiles. The prior condition is quite different."

Meanwhile, the Ministry of International Trade and Industry has come to have an increased sense of crisis that if Japan continues to present an increased purchasing plan according to U.S. demands, it will lead to a planned economy.

Thus, the government and the industry have reached an agreement that they will not make any auto-parts purchase plans that can be regarded as numerical targets. It is Hashimoto, international trade and industry minister, who has promoted such a tough stance.

Early this year when the Japan-U.S. negotiations had not been acute as they were today, an official of an automobile company confided: "As long as Mr. Hashimoto remains international trade and industry minister, Japan will not make an unreasonable compromise in its negotiations with the United States."

Political commentator Toichi Suzuki analyzes the character of Minister Hashimoto: "He is logical and demands consistency. He is also confident of his knowledge of international economics. He has the bureaucrats well in hand. He is in full control of the Ministry of International Trade and Industry. He has a knack of being a "zoku giin" [dietmembers who have strong ties with a particular ministry]. He is taking the occasion to aim at strengthening a relationship with the automobile industry, which had been under the control of former Prime Minister Noboru Takashita, and with which he has had no close relationship."

As a dietmember, Hashimoto is faced with a situation in which the Mizushima plant of Mitsubishi Motors Corporation and related parts makers are in his anticipated single-seat electoral district.

Until last month, the Liberal Democratic Party of Japan [LDP], the Finance Ministry — which is fearful of a higher yen — and part of the industrial community had produced the atmosphere that "if the automobile industry compromises, everything will be all right." However, the Ministry of International Trade and Industry and the automobile industry frantically tried to persuade various quarters by saying, "If the automobile industry accepts numerical targets, other industries will be forced to do the same. If the automobile industry is in a downturn, your industry will be affected as well."

The failure to figure out such a drastic change in the attitude of the Japanese Government and industry led to the miscalculation, causing a collision between Japan and the United States. Structural Defects Which Make the Automobile Industry the Only Target of Bashing [subhead]

The U.S. side, too, has undergone a great change in the manner of its coping with the situation. The Association of Japanese Automobile Manufacturers is perplexed: "There had been a "rule" that if the U.S. automobile industry was in trouble, it inflicted a harsh demands on Japan, and that if its business was brisk, it weakened its pressure on Japan. However, this rule has ceased to be applicable since last year."

The Big Three U.S. automakers have experienced a boom market since the year before last. This year their sales have decreased compared with last year, showing downward trends. However, their business situation today is quite different from the worst business situation in the past when the United States inflicted harsh demands on Japan.

Nevertheless, the United States is adamant, and there is a reason for that. Nobuyoshi Yoshida, chief of the Automobile Management and Development Research Institute says: "Unlike its former policy, the primary purpose of the Clinton administration is to strengthen the competitiveness of its own industries, of which the automobile industry is most emphasized at present."

Since the defeat of the Democrats in the mid-term elections, the relationship between President Clinton and the automobile industry and the United Automobile Workers has cooled down. Therefore, unless he gains points now, his reelection next year will be affected.

Thus, he paid attention to purchasing plans for auto parts. Japanese automakers will have to increase their purchases of U.S.-made auto parts in the future to deal with the appreciation of the yen or to rectify the J-curve effect, even if nothing is done to promote purchases by the U.S. side. Therefore, if he imposes an increased purchasing plan on the Japanese makers, he can appeal to the people that the increased amount of purchases is due to his efforts.

Even if sanctions are imposed on Japanese automobiles, the big three will reap the benefits. Luxury cars will become the greatest focal point of the current sanctions.

Japanese automakers resort to overseas production of small and medium-sized cars, which are cars for mass production. They export from Japan high value-added cars and cars produced in small quantities, such as luxury cars and recreational vehicles.

In choosing articles which are to become the target of sanctions, the United States has chosen an article which has less effect on its consumers and industries, which results in damage to Japan, and gives delight to the big three. The luxury car market satisfies these requirements exactly.

The production of luxury cars is highly lucrative and is a source of profit for the big three. However, Japanese automakers, on which the upper limit of the number of exportable cars is placed under the export restraints during the 1980's, successively ventured into producing luxury cars, instead of small and medium-sized cars, to increase sales and profits. Here they trod a tiger's tail, that is, they committed a very dangerous act against the United States. An official of a Japanese automakers says: "Japanese automakers should not have ventured into the production of luxury cars, because it led to the collapse of specialization."

Semiconductors, which had been the greatest concern of the United States during 1980's, are no longer regarded with the same enmity as automobiles. The reason is that the United States specializes in CPU's [central processing units] and Japan in memory chips; mutual dependency is such that if the United States applies sanctions against Japan, the production of U.S. computer makers would be hindered.

Here is the structural reason why automobiles have continually been made the target of bashing. The Folly of Winning the Battle But Losing the War [subhead]

If the United States releases a list of sanctions, Japan will conduct negotiations at the WTO. If sanctions are imposed on Japan, it will bring the case before the WTO.

If Section 301 of the U.S. Omnibus Trade Law is applied, sanctions will be imposed on automobiles for the first time. Managing Director Yokoyama of Mitsusbishi Motors Corporation says: "The U.S. sanctions are painful. However, if Japan accepts U.S. purchasing plans, Japanese parts makers will be destroyed. If Japan has to suffer damage either way, it had better suffer damage by taking a reasonable action." The views of Japanese automakers are embodied in the above comment.

When it comes to the decision of the WTO, the Japanese side is expected to win. However, during the period of deliberation, sanctions will be imposed for about half a year and the Japanese automobile industry will be affected. Furthermore, it is dangerous to depend wholly on the WTO, which was established only this year.

Under the U.S. legal system, civil law takes precedence over the rules of the WTO. Therefore the United States can ignore the decision of the WTO, continue with sanctions, and further intensify the sanctions by promulgating an additional retaliatory law against Japan. Then the Japanese side will take retaliatory measures against the United States, leading to a trade war.

Moreover, the United States, in joining the WTO, made it a condition that it has a right to withdraw from the WTO if it makes a decision unfavorable to the United States three times.

Tsuyoshi Kondo, chief of the Political and Economic Research Institute, Itochu Corporation expresses his fear: "I can understand Japan's bringing the case before the WTO as a strategy for negotiations. However, we should not go so far as to contend as to which nation is right before the WTO. That may cause the withdrawal of the United States from the WTO. We must not kill the WTO, which has just been born."

A political settlement will be necessary to solve the confrontation in the future. An opportune moment for that will be a Japan-U.S. summit to be held during a G-7 summit in mid-June. Representative Ikuo Okamoto of Okamoto Associate, who is well versed in diplomatic problems, predicts the scenario of settlement: "In the case of automobiles, we have reached the stage where it is impossible to make a big comprise even if minor amendments are made. From now on, Japan should present a bold, extensive plan for easing regulations and show Japan's sincere stance for decreasing trade surpluses."

Washington Office Chief Saneo Terajima of Mitsui & Co., Ltd. insists: "I think until now Japan, in dealing with the current issue, has been waging a regional war steadily and well. However, if Japan loses an all-out war called the Japan-U.S. relationship, it gains nothing. We should take this opportunity to think of the next step, such as establishing an organ for settling Japan-U.S. disputes, so that individual problems like the automobile issue will not develop into a big issue between the two countries."

The war has just begun. Japan cannot become weak-kneed now that things have come to such a pass. However, a war must always be waged with its settlement in mind.

Australia's Keating on Auto Dispute With U.S.

BK2605090895 Melbourne Radio Australia in English 0630 GMT 26 May 95

[From the "International Report" program]

[FBIS Transcribed Text] Australia's prime minister, Paul Keating, says the trade dispute between Japan and the United States could bring down APEC [Asia-Pacific Economic Cooperation], the Australian-inspired regional trade grouping. In Tokyo, Mr. Keating has also indicated he thinks the conflict could have security implications. As John Shovelan reports:

[Begin recording] [Shovelan] APEC economic prosperity and regional security are the stakes in the trade dispute between Japan and the U.S. Mr. Keating has sounded an alarm that will ring right throughout the region. His first day in Tokyo produced the most dire warning uttered by any world leader about the dangers posed by a long trade dispute between the world's two largest economies — Japan and the U.S. The drawn out trade war, Mr. Keating said, would inevitably spill over into political and the military ties. He pleaded the case of small trading nations, like Australia, which would suffer in the crossfire. But beyond the immediate economic strain a trade war would inflict on the Asia Pacific, its long-termed effect, he declared, would render the region politically and militarily unstable. APEC would wither and die.

[Keating] U.S.-Japan relationship is a linchpin of regional stability and prosperity, probably, the linchpin of regional stability and prosperity. The U.S.-Japan security treaty is absolutely fundamental to security of the Pacific and more widely. Quite simply no one can afford to allow bilateral trading differences between these key Asia-Pacific partners to jeopardize any part of political and security structure of our region or to imperil (?a piece) of regional community which is now emerging. The last countries to (?countenance) this should be Japan and the United States themselves.

[Shovelan] Japan's minister of international trade and industry, Ryutaro Hashimoto — a closed friend of Mr. Keating — last night returned from Europe claiming Japan had won support for its decision from the members of the European Union. Mr. Keating meets Mr. Hashimoto tonight. From trade wars to world wars and Mr. Keating didn't mince around telling Japan and its people it had to confront its wartime past, if it was the move forward and play a decisive leadership role in the region.

[Keating] I think we all know we ignore history at our peril. I don't believe we can deliver a secure future to our young people without coming to grips with the realities to their past. That is a lesson I think we are learning in other contexts in Australia.

[Shovelan] The other context, Mr. Keating referred to, was Australia's own history. With brazen honesty, he admitted to his Japanese audience, Australia was only reconciling itself with its aboriginal people after they'd suffered a cruel history.

[Keating] At the same time, we begun to confront difficult truths about our own past. The disposition of Australia's indigenous peoples and destruction and brutality which accompanied it are notorious facts of our history.

[Shovelan] Japan was not the only country with the past it would like to forget. [end recording]

Fuji Rejects Kodak's Unfair Trade Accusation

OW2605020595 Tokyo KYODO in English
0139 GMT 26 May 95

[FBIS Transcribed Text] Washington, May 25 KYODO — Japan's Fuji Photo Film Co. issued an English statement here Thursday [25 May], rebutting a U.S. complaint in a petition against Japanese anticompetitive trade practices for consumer photographic film and paper.

"Fuji does not engage in anticompetitive practices in Japan and we intend to vigorously and thoroughly present our case at the appropriate time," Fuji's U.S. Subsidiary said in a statement.

On May 18, Eastman Kodak Co. said it has filed a complaint with the U.S. Government, particularly naming Fuji Photo Film for investigation under Section 301 of the 1974 Trade Act.

Under the trade law, the U.S. Trade Representative Office (USTR) will decide whether or not to conduct a formal probe into the case within 45 days.

Fuji Photo Film U.S.A. Inc. said, "the market for consumer photographic products in Japan has been open for some time and is extremely competitive," with more domestic manufacturers competing than in any other country in the world.

"Furthermore, industry estimates place Kodak's share of the Japanese color film market at about 10 percent — similar to Fuji's share of the U.S. market," it said.

In addition, the U.S. subsidiary said Japan has been imposing no import duties on color film or color paper since 1990 while the U.S. is still levying a 3.7 percent tariff on its imports.

Pointing to various market factors such as product quality, customer service and prices as influencing sales in free markets, Fuji said Kodak's petition "would have the U.S. Government ignore these free market factors and intervene unilaterally on behalf of a single U.S. company."

"We hope the USTR will recognize the specious argument on which Kodak's petition is based and decline to accept it."

In filing the petition, Kodak's Chairman George Fisher said his company has invested an estimated 750 million dollars to penetrate the Japanese market over the past 10 years but its market share in Japan has stayed at less than 10 percent.

Kodak stated in a press release that anticompetitive practices such as resale price maintenance, price fixing and rebate schemes between domestic manufacturers and retailers have been common in the Japanese market since the 1970s.

Singling out Fuji as engaging in such practices, Kodak asserted they were conducted with the knowledge and participation of the Japanese Government.

Balance in Ties With Asia, U.S. Urged

952B0161A Kyoto VOICE in Japanese May 95 pp 134-145

[Article by Terumasa Nakanishi, professor, Kyoto University: "Asia or the United States?"]

[FBIS Translated Text] **What Historic Choice Will the Prosperity of Asia Require Japan To Make?**

Japan's "New Weaknesses"

Across the Japanese archipelago, a "new active fault" is being created. As if to follow Japan's geological structure, which is divided between the "North American plate" on the east and the "Asian plate" on the west along the Fossa Magna that stretches from Itoigawa to Shizuoka, debates on the choice between "Asia and the United States" have begun to take place everywhere.

These debates have a significance as to how Japan will survive through the 21st century, calling for response measures that will focus on Japan's future more seriously than those for earthquakes. They also seem to have erupted all at once as we began 1995, and they relate to a historic choice for the postwar Japan on how to deal with Japan's "new weaknesses."

In the past, weaknesses of postwar Japan were discussed in terms of the small territory, the land that lacks natural resources, the low rate of self-sufficiency with dependence on imports for the majority of foodstuffs, the state of defense forces that cannot defend the nation on their own, and so on. But all these weaknesses were possible to deal with as long as we considered them as "givens," and tried very hard to find the way for survival in this given environment by studying seriously the means to deal with them. The history of postwar Japan has proved this point.

But, what Japan is faced with now are "new weaknesses" that are totally different from these postwar weaknesses. For today's Japan, earthquakes themselves are not necessarily essential weaknesses that would rob the nation of its vitality from its roots.

Yet, the "loss of a desire to own homes," which was caused by such problems as rebuilding collapsed apartment buildings, may act as a big brake to the driving force for development in Japan in the future. And the currency situation, where the exchange rate seems to be stabilizing around 80 yen [Y] or so to the dollar, indicates a continuing serious weakness that Japan will have to bear the risk of the dollar-based currency system all by itself forever.

The continuation of this process of "permanently strengthening yen" will drain the vitality of the Japanese economy and bring the sense of a fundamental fatigue to the Japanese.

Aside from the above, emerging issues surrounding Japan's "historical responsibility" at this juncture of 50 years after the war are also becoming one of Japan's new weaknesses. Disagreements at home are inviting further pressures from abroad, leading in the end to a structure that will press Japan for "concessions (mostly payments)" with more humiliating conditions. This relates to postwar Japan's education programs on history and the "loss of historical understandings" in the entire Japanese culture; it is a weakness due to a lack of clear historical sense.

Furthermore, Japan's overly scrupulous commercial technologies and management methods have produced a structure of "excessive quality" and a "high-cost" society, becoming new sources of weaknesses due to the advent of borderless economies and mega competition. Along with administrative regulations, these are new "problems of Japan" that were created by "Japan's excessive sense of being a miniature garden society [that is, small and self-contained]."

At the base of the people's feeling that "they cannot compete" is the "loss of vitality." What do we have to do to overcome this fundamental basis for our weaknesses? Will deregulation be enough as has been expected? This is a serious psychological challenge that is different from the postwar type. There lies a danger of "miniaturization" that only leads to contraction.

Another more serious weakness should be pointed out — a serious and increasing loss of a wild nature among the Japanese of all generations. Although it is self-evident that the coming of the aging society lowers the national vitality, what I consider "extremely weak" is the loss of vitality among the young people in Japan. According to a captain of the Maritime Self-Defense Force [MSDF], what is most troublesome to him is that new recruits are too shy to use a communal bath on a ship. Similar examples abound.

These "young people raised in a greenhouse of the miniature-garden nation," unheard of in either Asia or advanced Western countries, are the most serious "new weakness" produced by the high growth, nouveau riche Japan with high growth. Here may lie the real crisis for Japan's survival in the 21st century. "Recovery of a wild nature" anew seems to be a common agenda for most problems facing Japan today.

A View Toward Asia

What can be done to overcome these serious "new weaknesses" that have never been experienced before, and to revitalize Japan and the Japanese for the 21st century?

What needs to be done to "recover a wild nature" has always been the same. First, we must retrain our bodies, that is, carry out domestic reform with resolve and, at the same time, experience the harsh reality of the outside world, that is, to meet with new people with courage.

Of course, doing so may bring pain (costs) sometimes. But, even with repeated hardships and failures, we humans cannot go on living truly without constantly looking for the source of vitality in the outside world. And, this source of vitality can be found always in a "frontier" that is full of rough and wild nature and vigore.

For Japan and the Japanese youth, it seems that such a frontier with full of vitality can be found only in Asia.

If solutions to the recent strengthening of the yen exceeding a tolerable level and to the clear malfunctioning of the current currency system can exist nowhere but in "internationalization of the yen," it seems evident that the key is to be found again in "Asia."

This is not confined in the economic and political arena; it is significant at a deeper level as "Japan's choice" that will affect how one nation and its citizens will survive.

At the same time, however, "impatience" and "superficiality" need to be strictly admonished. "Asia" for Japan has an irreplaceable and deep-rooted significance; we should not treat this simply as an Asian boom, or as a superficial "Asianism based on a mood," such as saying that "if we can't get along with the United States, we have Asia." The choice is weighty, and it must be taken with the right frame of mind.

Certainly, we are now having an "Asian boom." According to an opinion survey conducted by Fuji Television in October last year, 62.4 percent of the respondents answered "Asia," and 30 percent "the United States" to the question, "Should Japan focus its diplomatic relations on Asia or the United States in the future?" And NHK conducted an opinion survey in January 1995 (for its "Close-up Gendai [Today]"), and asked 1,800 Japanese men and women, "Is Japan a fellow member of Asia or of Europe and the United States?" "Asia" was chosen by 56 percent of the respondents, and "Europe and the United States" by 17 percent. (Neither was chosen by 18 percent of the respondents.)

I myself have been conducting similar surveys since last year. My survey results are basically similar to the others, nothing earthshaking, although there are some generational and regional differences (in terms of generations, "the old people chose Europe and the United States, and the young chose Asia," and in terms of regions, the results approximated the separation of the geological plate between the East and the West; that is, "the people in the eastern part of Japan chose Europe and the United States, and those in the west chose Asia").

NHK, however, asked the same question three years ago, and 47 percent of the respondents at that time chose "Europe and the United States," and 32 percent chose "Asia." Although the question is somewhat loose in that it uses an expression like "fellow member of," the change in the response pattern over the three-year period seems significant.

It is easy to imagine that this change occurred due to the remarkable economic growth in East Asia over the past three years, a change in the people's perceptions after the end of the Cold War, and various frictions between Japan and the United States. To make this new emerging "orientation toward Asia" as a sound and rational "choice for Japan," however, it seems necessary first to recognize the following three premises:

First, in talking about Asia today, we must be always conscious of the issue of a "time span." In the world after the Cold War, changes in terms of larger frameworks occur more slowly than expected, and a shift toward a new order seems to go through several steps.

About five years have passed since the collapse of the Berlin Wall, four years since the end of the Gulf war, and three-and-a-half years since the collapse of the Soviet Union. Changes during this period occurred in the most vulnerable segments of the Cold War structure; they occurred simply as obvious "collapses."

But, within a few years from now to the 21st century, major changes will occur gradually, including changes in structural areas that were much stronger and operationally well established during the Cold War. Major changes seem also to take place in Asia. But, I believe that another 10 years or so will be needed after these major changes for a new world and its relationship with Asia to become established and to attain a new balance of power as a result.

For anyone to recognize the significance of these changes in Asia in terms of a broader perspective and a sense of time, or from the standpoint of world history, that will be the year 2010 or 2015, that is, 15 to 20 years from now.

The underlying premise for this gradual trend is that today's world moves along by focusing on economies, and that as each nation needs a lot of time to solve its own domestic problems, it will move along with a strong "sense of risk aversion," and therefore hasty or drastic changes will be shunned. It will gradually become clear also that, although global trends are taken into consideration, regionally based orders will be created; and that, although cooperation is still advocated in an idealistic way, nationalistic movements based on national interests will compete with each other.

As these movements are likely to cancel each other out, changes will occur ever so gradually.

Such being the case, the world and Asia will each go through a transitional period, with about three stages. Therefore, it seems probable that the "era of Asia" in the true sense of its meaning will come in the year 2010 or so at the earliest.

Second, from this perspective, it is premature to ask at the present time whether Japan's axis should be "Asia or the United States." For at least the next 10 years or so, the security relationship between Japan and the United States is a necessary and indispensable choice for Japan, and I believe it possible to maintain this relationship. What I consider important for the time being is to continue the cooperative relationship between Japan and the United States, and at the same time to ready ourselves intellectually and psychologically for the new era in the future.

As far as "Asia" as a choice is concerned, what's necessary now is to understand Asia much more deeply than before, not only in economic terms, but also in terms of culture, history, and human relations. At the same time, we need to begin studying Japan-Asia relations in modern times from a larger perspective, including premodern history, so as to gain true "historical lessons." In doing so, we must not forget to consider Asia and its relationship with the world community in our vision for the future, seeing through the changes that will take place in the next 10-15 years.

Third, We must consider the region and boundary of "Asia" in relation to world events and times. In the past (and even today), many discussions have taken place to define "Asia." Along the way, an assertion of "non-existence of Asia" has been repeatedly advanced in the postwar Japan, saying mainly from the theoretical viewpoint of civilization that "Asia does not exist in substance."

In considering "Asia for the 21st century," however, I believe it increasingly important to look at the following three factors that affect the international political structure: 1) economic dynamism, 2) the relationship between underlying culture and society, and 3) common historical denominators. These factors produce two concepts of Asia — an "inner Asia" that is comprised mainly of East Asia and Southeast Asia, and an "outer Asia" that surrounds the former and connects it in a wider, global context. (Hereinafter, "inner Asia" will be the focus of my discussion, unless otherwise noted.)

This "outer Asia" includes Australia, the west coast of North America, India, Central Asia, and the Russia Far East, and we must always consider its organic relationship with the "inner Asia." It is important to consider "Asia" from a long, wide, and deep perspective according to these three premises so that today's Asia boom will ready ourselves for the new era.

Economic Power Shifting Toward Asia

Then, what kind of "vision for Asia" can be painted from this large perspective? What kinds of agendas and problems are awaiting us along the way?

First of all, in visualizing "Asia in the 21st century," we must erase most of our old views of Asia. Needless to say, the main concept in building a new vision for Asia is what is signified by the region's spectacular economic development.

In 1960, the share of Asia (inner Asia), including Japan, in the world economy (gross product) was merely 4 percent. In 1990, however, it reached 25 percent, equal to that of the United States. According to most predictions, it will reach 34-35 percent by the year 2000. Because of continued high savings rates of about 30 percent in Asian countries, many people here and abroad predict that the world's economic power will continue to shift toward Asia.

Late last year an article entitled "The Myth of Asia's Miracle" (November-December 1994 issue of FOREIGN AFFAIRS) that was written by Paul Krugman, an economist highly regarded in Japan, attracted attention in Japan. Its prediction — growth in Asia will falter in a short period of time, like the economy of the Soviet Union in the 1960's, and Asia will revert to stagnation — received ready audience among some "pessimists on Asia."

This article was severely criticized by W.W. Rostow (his article appeared in [the "Letters to the Editor" section of] the January-February issue of the same magazine), a leading figure in theories of economic development, and many others here and abroad. Because its theoretical underpinnings seem to have already been thoroughly discredited, they are not discussed here. But, political implications of Krugman's article are quite significant (that is, wariness and jealousy felt by some Europeans and Americans toward Asia's development).

Of course, many problems associated with future growth certainly await Asia. But, what's important particularly for the Japanese is to have a balanced view of what these problems can be.

At least, the significance of economic growth in Asia in world history seems evident. Modern world history, as far as major movements are concerned, seems to have been defined by the "economic power" status held by both England and the United States (including Australia and Canada) for more than 100 years.

In the 1820's and 1830's, when the balance of power between Asia and Europe began to reverse, the share of England and the United States combined in the world GNP was about 25 percent. Subsequently, in the 1860's and 1870's, when Japan opened its country and entered the Meiji era, it exceeded 40 percent, and in the 1890's, when the United States became an economic superpower, it reached somewhere around 50 percent.

After Germany and France suffered enormous damages in World War I, the share of the United States and England in the world GNP increased further, and in the 1920's and 1930's, when Imperial Japan chose to challenge the dominant position of the United States and England, it approached 70 percent on average, an overwhelming share. Accordingly, therefore, "Japan's madness" was self-evident.

After the war [World War II], however, the share of the United States and England droped below 40 percent in the 1960's. Subsequently it declined further, and today in the 1990's it stands somewhere in the 25-percent range as it used to be. (Due to the recent weakness of the U.S. dollar, it could be about 20 percent.)

But, Asia's historic resurgence and major changes are not limited to the economic field. They, therefore, provide Japan with great opportunities as well as significant agenda in terms of its relations with Asia (and along with these relations, also with Europe and the United States) that have never been experienced.

Appearance of a "completely new Asia" requires the Japanese to change their basic perceptions, beyond economics, in the following three areas: First, Asia for the first time (or after two centuries or so) is becoming an "international community" in the true sense of its meaning.

Following the Opium Wars in the 1840's, Asia was simply an "Asia under control of the great powers" for the first 100 years, and during the subsequent 50-year period, it was divided due to the Cold War and continued to exist as "two sets of Asia." Now, Asia is comprised totally of independent nations, and permanent and normal international relations are being formed among these nations. This indicates the beginning of a completely new pattern of history-making in Asian history. This signifies at least a structural change toward normal international relations in Asia for the first time in 200 years after the end of the 19th century.

This, however, poses a major challenge to Asia and Japan. Will the basic tenet of this international community in Asia take a form of the traditional "East Asian type" that focuses on gentle and controlled trade, like the one before the "Asia under control by the great powers"? Or, will it be a "balance-of-power type" that focuses on power-related elements? Or, will it be based on a future-oriented ideal of new "regional cooperation"? Asia seems to be at major crossroads.

It seems inconceivable to expect a revival of an international order based on traditional Confucian ideals. But, in an era of high-density international relations in the 21st century, will it be possible to revive basic ideals that existed in premodern Asia, such as a "mutual respect for nonintervention," a sense of "realism," and "gentle pacifism," which are based on some kind of Asiatic psychological structure (for example, an underlying belief in "coexistence" for Asia, which in essence is based on morals of polytheism or animism, as in the belief that "justice" is not necessarily absolute)?

Or, what can we do to establish as gently as possible a basic tone for the balance of power, which can take various forms? Will regional cooperation in Asia contribute to peace? All these issues require large historical viewpoints, which go beyond the level of such policy issues as "Asian security," as well as efforts at the practical level.

The End of Japan's Century

Second, needless to say, rapid economic development and high modernization of East Asian society are the reality for the "completely new Asia." This means that huge growing markets, which will account for half of worldwide growth for at least the next 15-20 years, have been born around Japan. But, at the same time, it means a closing of the era when Japan could assume some kind of prominant position as a "leading power in Asia."

Asia of the 20th century was a historic "stage" that urged Japan to take an irresistibly "fatalistic mission." For 90 years in the 20th century, Japan three times gave severe blows to the position and power of the West in Asia, playing the role of accelerating the historic "rise of Asia." It is well known that the victory in the Japanese-Russo War in 1905 was significant for the people of Asia. And the "fall of Singapore" in 1942 not only broke the backbone of the British Empire, but also ended the "great powers' control over Asia" — it was a world-historic event. Furthermore, Japan's economic advance in Asia, which began with the Plaza Accord 40 years later, worked as a driving force for today's historic development in Asia.

Throughout the 20th century, therefore, Japan has had an enormous impact on world history and Asia three times about every 40 years. In this sense, the 20th century in Asia has been truly "Japan's century." And, this came about in a "totally unconscious way" on the part of Japan.

Now, in parallel with the end of the "American century" in the world, this "Japan's century" in Asia is coming to an end.

In today's Asia that has already seized the potential for autonomous growth and begun to advance its own enduring sense of living style and to assert itself clearly in the world community, there is no longer room for Japan to assume a leadership role for any reason.

Because of this, however, it is also possible to revitalize the constricted "miniature-garden Japan" by relating at an equal level with this high-growing and self-assertive Asia. Therefore, it is not a question of choosing between "Asia and the United States" for Japan; rather, there is no other choice for "both the United States and Japan," which want to revitalize themselves, to approach Asia with a respectful request for "membership in Asia." This is how the situation stands today at the macro level.

With such a mental picture that it won't be long before ASEAN and China become members of G-7, modern Japan's identity as "the only advanced country in Asia" will have to collapse. At the same time, this also means that the Japanese will lose the foundation for their sense of racial superiority over other Asians, which became an established foundation along with the paradigm of "leaving Asia and seeking membership in the West" that existed for the past 100 years.

In the 1950's, U.S. Secretary of State John Foster Dulles stated repeatedly that it would be most effective to use this strong sense of superiority held by the Japanese people over Asians in making Japan the most loyal ally of the United States and Western Europe by taking in Japan as part of the Cold War structure and thereby preventing it from returning to Asia (see page 372 of John W. Dower's *War Without Mercy: Race and Power in the Pacific War*). Here, also, the loss of a traditional sense of superiority over Asia will certainly change Japan's psychological basis for diplomacy.

Both Asia and the United States

Third, getting rid of this sense of superiority will produce in a natural way a new sense of belonging and solidarity with Asia on the part of the Japanese. (This trend is evident in various opinion surveys, including my own.) At the same time, however, this will also create some serious problems for Japan.

For example, conflicts and dilemmas over the "sense of loathing toward Asia," which is another side of the strong "sense of deep attachment to the West" held by the Japanese of the old generation, may create various kinds of temporary schisms among the Japanese, especially among intellectuals and the elite. But, more serious is the issue of how to "come to terms with" the natural sense of belonging to Asia and maintaining relations with Europe and the United States that remain as essential as ever for Japan's national interests in terms of security and global linkage.

In other words, it is an issue of how to cope with the gap between the speed of change in "awareness" and the realistic demands of national interests. Because of this, it is possible at this juncture to suggest such a direction as "Japan should play the role of mediator between the West and Asia." But it seems necessary to examine this possible direction carefully.

First of all, by trying to become a mediator that won't be swayed either to the West or to Asia, Japan may be creating for itself a risk of being isolated in the end. This is quite similar to the pattern of isolation that occurred when the "concept of independent Japanese civilization" — the other side of the prewar Japan's "Greater Asia" — developed into the argument in support of opposing the West.

Second is a question of whether Asia and the West really need Japan to be a "mediator" after all. And, third is that continuation of such a careless "policy of being a mediator" for a long time may expose the "bat-like nature" of the Japanese, and create a certain kind of identity crisis among the Japanese.

Some time ago when the Vichy Government of France was challenged by independence movements in Vietnam, some people advocated an extremely peculiar "policy of being a mediator," crying for "reconciliation between Confucius and Petain." Choosing to be a mediator between the East and the West always carries with it an issue of one's own identity. Therefore, we must be aware that without a careful stance based on deep and thorough understanding of civilization and history, we may end up playing the role of the "Pierrot of world history."

Another point is that whenever a discussion takes place today on choosing between "Asia and the United States," a "threat from China" is always mentioned along with the argument for being a mediator. Because of its size and the unique characteristics of its culture, China has always been some kind of "threat" to its neighboring countries. In dealing with the current issue of the South China Sea [Spratly Islands dispute] and the defense budget, we must continue telling the Chinese side about our sense of fear.

In addition, the idea of China as a superpower in recent years is creating an exaggerated image of a "China that swallows up Asia."

But, to see if China will become a real threat requires careful observation for the next several or 10 years. At least until the end of the 15th [Communist] Party Convention in 1998 when Hong Kong reverts to China and accordingly we will be able to see China's direction in the post Deng-Xiaoping era, it is not appropriate to discuss a "threat of China." There is a proverb in English diplomacy: "Don't cross the bridge till you come to it." It means that if you discuss prematurely about measures against a distant danger, you will invite the danger in a disadvantageous way.

This is quite different from the position held by Southeast Asian countries and Japan, where even a clamor does not make us worry about inviting such a danger. Furthermore, in the long run, it still seems uncertain whether China, when it becomes rich and strong, will take a course of pressuring Japan and other neighboring countries. Rather, when we extend our vision to the 2010's, there is a possibility of a revitalized Russia "advancing southward" to Asia to become a major problem again. If that happens, it may be possible for China to become an indispensable "guardian of Asia," or at least an important partner to counterbalance the threat from Russia.

In any event, aside from a "threat," it is also possible to draw a scenario of long-term "confusion" in China as it heads to the year 2010. Also, there are some signs of inevitable "changes": "democratization" in some form, a gradual move toward "federalism" that is necessary to resolve the Taiwan issue, and "internationalization" of economic and political behavior. These are part of the universal process of history that certainly occurs in one form or another along with economic development. Today's Asia is not short of examples of these kinds of changes.

The issue here is the speed and steadiness of these changes. What becomes important is what kinds of roles will be assumed by such neighboring countries as Japan, other Asian countries, and the United States.

Along with maintaining the relationship with "the United states," a necessary choice for Japan in dealing with this "China issue" is to cooperate with the "Asia" around China, that is, cooperation with Korea (or a unified Korea), which, with its population reaching 800 million by the year 2000, is economically more advanced than China, as well as with ASEAN's 10 member countries. In this regard as well, Japan must choose "both Asia and the United States."

Also, seeing some signs of "democratization" and "internationalization" in China, will the United States, which at present is still keeping a distance somewhat from "containing China" in such issues as Taiwan and South China Sea, continue to find its national interests in keeping the Japan-U.S. alliance as a united front against China? It seems quite unlikely, I must say.

At present, therefore, in continuing the Japan-U.S. alliance, it is quite risky to change the tone of Japan-U.S. relations into an alliance against China. China's economic development is in Japan's national interest in the long run. And, as described above, as the newly born international community in Asia is at major crossroads in choosing a direction for its basic order, it seems necessary to have a wide, long, and deep perspective in considering China.

New "Understanding of Asia"

Another topic that is always brought up whenever there is a discussion on the "choice between Asia and the West," is the EAEC (East Asia Economic Conference) plan. But, just because the United States is against the plan, it seems wrong in the first place to discuss it in this context.

EAEC can be instrumental as follows:

1. In preventing NAFTA [North American Free Trade Agreement] and the EU from becoming closed [economic blocs], it can be used as potential leverage to apply globally the principle of "open regionalism," to which Japan subscribes. This role doesn't seem to be performed well by APEC [Asia Pacific Economic Cooperation].

2. It will be an important means for the countries in inner Asia to present their regional interests in a single voice at the WTO [World Trade Organization] and the G-7 [Group of Seven industrialized nations].

3. It will be very useful as an organization of China's neighboring countries to stand for regional cooperation in making various requests to China and in involving and checking China in a constructive way. Or, it can deter movements toward "joint hegemony" by the United States and China.

4. It can offer an important stage for cooperation between ASEAN, which can take most future-oriented initiatives in Asia, and Japan.

5. The world after the end of the Cold War is currently moving toward tripolarization in regional integration, centering on Europe, the United States, and Asia. Considering the importance of global networking, the EAEC may be able to expand its network from its neighbors ("outer Asia" in terms of the Asian region) to the world.

To preserve these kinds of potentials, it will be important for each region not only to have its own "nucleus," but also to have a function of a "linkage organization" that connects it with other regions. As a recent trend, an idea of a "New Atlantic Community" (like "APEC for the Atlantic region") has been advanced to connect the United States and Europe, and through a pioneering leadership of ASEAN, a "Europe-Asia summit" (without letting Japan know about it!) is about to be convened.

In Asia, APEC — a linkage organization — was created first, and there is no "nucleus," yet. At present, therefore, Asia lacks a balance in promoting its regionalism globally. Because of this, such government officials in Europe as former Prime Minister Thatcher, presidential candidate Chirac in France, and Trade and Industry Secretary Heseltine in England are all beginning to "support EAEC."

Therefore, what's important is to promote EAEC without turning inward to the limited region of "inner Asia" so as not to be considered as having racial or anti-West prejudices; it is important to promote it without raising fears of "possibly creating a bloc" or "competition against APEC." To do this, Japan and ASEAN need to cooperate with each other in rewriting the vision so that Australia can be admitted to its membership, and the United States can participate as an observer.

In other words, here again the issue is not a choice "between the United States and Asia." To be sure, the United States is strongly against the EAEC, but this should not affect the security pact between Japan and the United States. That the United States and Europe continue to uphold NATO is proof of this. Also, the national military establishment in the United States issued a "strategic report on East Asia" in February this year, and reconfirmed its ever-strong commitment to the Japan-U.S. security system. What's important is to know why the United States opposes it, and Japan and the United States must frankly discuss the reasons, which at present are like a "black box."

This idea of forming the EAEC was proposed in 1990 by Prime Minister Mahathir of Malaysia. In light of the present condition of Asian economies, making such a proposal was probably "about 10 years premature." But, once the idea gets a final blow and is buried, it will be difficult to resurrect it without risk and cost at the beginning of the next century, when such an organization is expected to be truly needed.

Therefore, it seems extremely important to rewrite the vision and maintain the momentum. This requires persistent effort with an understanding that, as mentioned in the beginning of this article, this idea is related to the foundation of "Japan's vitality" for a long time into the future. In this regard, it is important for Japan to make conscious efforts to erase such sources of misunderstandings as indicated by some expressions used in remarks by Prime Minister Mahathir and others that could be interpreted as "racist." During World War II, when Japan raised the slogan, "Asia for Asians," and attacked the areas in Southeast Asia colonized by Europe and the United States, various organizations of black people in the United States were sympathetic to the slogan, and voiced that "this war is not a war 'for liberty,' but simply a war to maintain the white people's control over colored races," raising fears among leaders in the United States (see page 210 of C. Thorne's *What Was the Pacific War?*).

Pro-Japanese Americans are particularly sensitive to the tone of racism that is reminiscent of the "Greater East Asia Co-Prosperity Sphere." This seems to be a major factor in the U.S. opposition, along with the fear of losing its "leadership role" in Asia. Therefore, as Japanese, we have a historical responsibility to carefully avoid any words or action that could be interpreted as "racist."

Accordingly, therefore, it is necessary to make persistent and future-oriented efforts in promoting EAEC. At the same time, it is necessary to promote an idea of "EAEC Mark II," which should be led by the private sector to exchange business-related opinions and to promote cultural exchanges.

In fact, efforts to nurture our renewed sense of cultural unity with Asia will correct a tendency toward a "misguided Asianism" appearing in some quarters in Japan today. At this important juncture, 100 years after "leaving Asia and joining the West," these efforts are a historically important national project that supersedes various policy agendas for Japan in nurturing the natural sense of belonging to Asia to construct a new relationship between Japan and Asia.

In moving toward the 2010's and to find its own stable ground truly based in Asia, Japan also needs to reaffirm at this time the starting point for its Asian diplomacy based on "heart-to-heart" relationships, which requires efforts to shift its focus clearly "from materials to humans."

To do so, the Japanese people must strive during the preparatory period of next 10 years or so to achieve a new "understanding of Asia" through person-to-person contacts and by learning more about the culture and history of Asia. The source of Japan's vitality cannot be maintained without such a renewed determination to have wholesome contacts with Asia.

Murayama, Keating Issue Joint Declaration

OW2605081595 Tokyo KYODO in English
0749 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — The Prime Ministers of Japan and Australia pledged Friday [25 May] to establish an "enduring and steadfast" partnership based on the close, cooperative relationship built up in the years since World War II.

Tomiichi Murayama of Japan and Paul Keating of Australia issued a joint declaration as they held nearly two hours of summit talks at the Akasaka Palace State Guesthouse on the third day of Keating's visit to Japan.

"Fifty years on from the end of the war, Australia and Japan have a relationship of unprecedented quality," the declaration said.

"The governments of Australia and Japan reaffirm the importance they place on the close relationship of goodwill and cooperation that they have built up over the postwar years," it said. "They pledge to build on that foundation an enduring and steadfast partnership."

The declaration also said that the two nations, as partners in the Asia-Pacific region, are determined to work together to promote prosperity and enhance political cooperation in the region, and it reaffirmed strong support for the presence of the United States "as being of fundamental importance" to the Asia-Pacific's peace and prosperity.

Touching on the Asia-Pacific Economic Cooperation (APEC) forum, the declaration pledged Japan's and Australia's commitment to the forum "as the primary vehicle" of regional economic cooperation.

"Both governments are committed to cooperating closely to ensure the success of the Osaka meeting (of APEC) and to realizing the objectives of the Bogor declaration as enunciated at the APEC leaders meeting last year," it said.

The Bogor declaration adopted last year in Indonesia set the year 2020 as the deadline for achieving free and open trade and investment in the Asia-Pacific region.

Australia and Japan also share a vital interest in the maintenance and strengthening of the open, multilateral trading system, and in the effective operation of the World Trade Organization (WTO), said the joint declaration issued in Tokyo.

Turning to global affairs, the declaration said the two governments will continue to contribute in such areas as supporting the nonproliferation of weapons of mass destruction, and the activities of the United Nations in social and economic development and human rights and in international peace and security, including its peacekeeping role.

Australia expressed support for Japan's bid to become a permanent member of the UN Security Council in order to play an international role commensurate with the nation's power, it said.

On the bilateral front, Japan and Australia praised the contributions each country has made to the other's post-war economic development and vowed to work to further boost bilateral economic relations "as the structures of their economies change including in response to regional economic developments and globalization."

The two countries will also strive to promote exchanges in business, education, tourism and cultural spheres, the declaration said.

Keating Urges Tokyo To Further Open Markets

OW2605113295 Tokyo KYODO in English
0954 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Australian Prime Minister Paul Keating urged Japan on Friday [26 May] to further open its markets for the benefit not just of the United States, its major trading partner, but for the Asia-Pacific region as a whole.

Keating told a press conference in Tokyo that more access to the Japanese market for all its trading partners would help ease its trade imbalance with the rest of the world.

Keating said trade disputes between the U.S. and Japan, including the most recent over auto parts in which the U.S. is threatening to impose 100 percent punitive tariffs on Japanese luxury cars, can only be resolved "by opening up the Japanese economy and deregulating."

"We have said publicly, and we have said to the (Japanese) Prime Minister (Tomiichi Murayama) that we do not want to be disadvantaged as a third country on these auto parts arrangements," Keating said.

The strength of Japan's current trading position reflects the power of its stronger industries, but exposing its weaker industries to outside competition would allow a "more realistic assessment" of the overall strength of the Japanese economy, Keating said.

Keating flatly refused repeated attempts by reporters to elicit comment on media reports in Australia that the Japanese Embassy in Jakarta had been spying on the Australian Embassy by using an infrared device to detect conversations in the embassy.

"I will adopt the view that I won't comment on security matters," Keating said.

Keating said discussions with Murayama earlier in the day dealt mainly with the bilateral relationship and with the Asia-Pacific Economic Cooperation (APEC) forum.

He said he gained an assurance from Murayama of Japanese backing for Australia's bid to attend a forthcoming summit of leaders of Asia and Europe.

Keating described a joint declaration issued with Murayama after the meeting as "an important step forward in the bilateral relationship."

In the statement, the two leaders pledged to establish an "enduring and steadfast" partnership based on the close, cooperative relationship built up in the years since World War II.

Keating cited a sentence in the declaration in which Japan "welcomes Australia's decision to create its future in the region and reaffirms that Australia is an indispensable partner in regional affairs" as one of the most historically important sections of the statement for Australia.

He also said Australia has made it clear to the Japanese Government that it is willing to cooperate fully with police investigations into alleged experiments by members of the religious cult Aum Shinrikyo on the deadly nerve gas sarin on sheep on a farm in western Australia.

Keating arrived in Japan on Wednesday evening for a five-day official visit for talks with Japanese leaders.

He also met with International Trade and Industry Minister Ryutaro Hashimoto on Friday. He will meet with Foreign Minister Yohei Kono on Saturday before heading home Sunday morning.

Keating's trip marks the first official visit to Japan by a leader of a former World War II enemy state during this year of the 50th anniversary of the war's end.

Keating has informally visited Japan twice since he took office as prime minister in December 1991.

Further on Keating's Comments

OW2605115495 Tokyo KYODO in English 1126 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Australian Prime Minister Paul Keating urged Japan on Friday [26 May] to lead the way at a summit of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November in drawing up an action plan for liberalizing regional trade and investment.

Keating, on an official visit to Japan from Monday through Sunday, made the call during nearly two hours of talks with Prime Minister Tomiichi Murayama at the Akasaka Palace State Guesthouse, a Foreign Ministry official said.

Keating told Murayama that this year's APEC meeting is crucial because APEC may suffer a severe setback if it fails to hammer out an action plan to liberalize trade and investment in the region as enunciated in the Bogor Declaration in Indonesia, the official said.

Japan has an important responsibility and should exercise strong leadership, and Australia will fully cooperate with Japan in successfully holding the Osaka meeting, Keating was quoted as saying.

Murayama pledged that Japan will exercise leadership as the host country to draw up a meaningful action plan which would become the first medium- to long-term plan to be hammered out by APEC, the official said.

Japan hopes to continue cooperating with Australia in leading the 18-member APEC forum, Murayama was quoted as saying.

Touching on Japan's relations with the United States, which are currently marred by a dispute over auto and auto parts trade, the Australian premier criticized U.S. moves to impose sanctions against Japan, the official said.

But Keating also called for Japan to try to reduce its huge current account surplus through a multilateral framework, not bilaterally, and by boosting imports from East Asian countries.

Japan's leadership in the APEC process to liberalize trade and investment in the region would have a good impact on Tokyo's relations with Washington, Keating was quoted as saying.

Murayama told Keating that Japan and the U.S. have agreed that the auto dispute should not affect the overall bilateral ties, the official said.

The Japanese and Australian premiers reaffirmed they will continue working to boost cooperative ties between Japan and Australia, the official said.

The two leaders issued a joint declaration which pledged to build an "enduring and steadfast partnership" based on the close relationship of goodwill built up over the postwar years.

Murayama told Keating that he believes Japan and Australia were able to establish friendly ties over the years because the two countries shared common values, had mutually supplementary relations, and because the leaders of the two countries have frequently met each other.

To further develop the ties and build mutual trust among the peoples of both countries, it is important to interact while correctly acknowledging the past history, Murayama said.

Keating told Murayama the two countries were able to establish friendly relations that were unimaginable 50 years ago because democracy had firmly taken root in both countries and Australia also became a multicultural society.

Touching on proposed Asia-European Union (EU) talks, Murayama told Keating that Japan thinks it important that the meeting include Australia and New Zealand from the beginning as the two countries are Asia-oriented and because it is important to promote cooperation among the Asia-Pacific countries.

Japan considers it important to promote dialogue between Asia and Europe, Murayama said.

The Association of Southeast Asian Nations (ASEAN) proposed holding summit talks among the six ASEAN countries and the EU plus Japan, China and South Korea.

ASEAN comprises Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Vietnam is to join the grouping this year.

Cresson on EU Multimedia Cooperation With Tokyo

OW2605093095 Tokyo KYODO in English 0854 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — European Union (EU) Commissioner Edith Cresson suggested Friday [26 May] that the EU and Japan should cooperate in the field of multimedia in order to catch up with the United States.

Addressing the Foreign Correspondents' Club of Japan, Cresson also said that developing countries must be given access to new information technologies to prevent the creation of a "dual" international community in the information age.

Cresson, responsible for science, research and development in the commission, stressed the need to create software to effectively use multimedia technologies.

"We have created the channels, but the question is what do we put into them...We have to imagine programs," she said, adding that the EU has set up a task force on educational software.

Noting that the major software developers are in the U.S., Cresson said that the EU task force is taking stock of existing European programs to coordinate further software development. "Cooperation with Japan (in this field) would certainly be desirable."

She said the 15-nation EU will allocate some 16 billion dollars over the next five years to priority areas including information and communications technologies, biotechnology and transport research.

Pointing to the upcoming EU-Japan conference in Paris on June 19, Cresson expressed the hope that what are now predominantly economic bilateral relations "could probably orient themselves toward more political exchanges," but did not elaborate.

Asked to comment on the fractious U.S.-Japan trade talks on autos and auto parts, Cresson, who was among the negotiators of a European auto agreement with Japan, said "the best way to solve a problem on the negotiating table is to discuss it."

"I think Europe behaved in a wise manner...We were determined to maintain a reasonable dialogue to reach a balanced accord" she said, adding that the agreement has markedly improved ties with Japan.

Cresson, however, refused to judge Washington's announcement of punitive tariffs on imported Japanese luxury cars. "I won't make any judgments. I don't want to pour oil into the fire."

But she noted that the problem of the opening of the Japanese market has not been solved yet.

During her 1991-1992 term as French prime minister, the outspoken Cresson caused a stir in Japan when she likened the workaholic Japanese to ants and alleged that Japan aimed to dominate the world through high technology.

This time, however, she appeared to have different views. "Japanese society is changing. There is growing aspiration, I think, not only for leisure but also a somewhat different way of life," she said. "The Japanese are taking up other interests."

Cresson, who arrived in Japan on Wednesday, will visit the earthquake-hit city of Kobe on Saturday to discuss EU-Japan cooperation in seismic research, before returning to Europe from the Kansai International Airport near Osaka.

Helmut Schmidt Urges Diet To Adopt War Apology

OW2605090195 Tokyo KYODO in English
0830 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Former West German Chancellor Helmut Schmidt urged the Japanese Diet on Friday [26 May] to adopt a resolution expressing regret for Japan's military past, saying that doing so would serve Japan by enhancing trust and enlarging its potential role.

Schmidt suggested that if the Diet admits that crimes were committed in Asia and the Pacific "by Japanese individuals and leaders — mostly military leaders — of a former generation," it would "enhance mutual trust and confidence" among Asian neighbors and thus contribute to future peace.

"Secondly, it would free the hitherto limited range of political operations for any Japanese Government in the future," Schmidt said of the Diet, where the no-war resolution issue remains unresolved, threatening the coalition which governs Japan.

Schmidt's remarks echoed sentiments he voiced Tuesday in his opening address to the four-day conference of former world leaders known as the Interaction Council, being held at the United Nations University in Tokyo.

The council, formed in 1983, provides former heads of state and government leaders with a forum to discuss and develop recommendations on pressing global political, economic and social issues.

Also at Friday's press conference, former Australian Prime Minister Malcolm Fraser suggested that official development assistance (ODA) be made only to developing countries with modest military expenditures and those taking steps toward ensuring full equality for women in the future.

Fraser also charged that while "rich nations have become richer, they have also become meaner."

He pointed to the United States, which offers only 0.15 percent of its gross national product (GNP) in aid, calling it a "humanitarian disgrace."

Fraser also labeled the U.S. "wrong" in its trade dispute with Japan, suggesting that any impatience Americans have with the U.S. trade deficit should not be impatience with Japan, but instead impatience with the President and Congress who "have been totally unable to resolve (the country's) deficit problems."

"There is a recently formed multilateral association, the World Trade Organization, to deal with these issues, but the United States' first attempt to do something about it (the trade deficit) is to apply illegal sanctions," Fraser said.

Andries van Agt, former prime minister of the Netherlands, called the U.S. response to the trade row "regrettable," adding that Japan needs "more urgent and comprehensive deregulation" which he described as now being "too slow and too piecemeal."

Van Agt chaired a group on the future role of multilateral institutions and noted that a gap exists between the demand for UN peacekeeping activities and the ability of the world body to respond because of lack of financial resources.

He suggested that the UN Security Council consider creating a modest-sized standing military under Articles 43 and 45 of the UN Charter and seek ideas to finance the force.

Van Agt also maintained that in "extreme cases of genocide — real, actual or imminent," there might be an obligation to intervene militarily to protect the victims, arguing that the concept of national sovereignty is "neither sacred or absolute."

Reportage on DPRK Request for Rice Shipments

Official Seeks Supply of Rice

OW2605013695 Tokyo KYODO in English
0125 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — A trade official from North Korea, which is reportedly facing a food shortage, asked Friday [26 May] for supplies of rice from Japan.

Li Song rok [name as received], chairman of North Korea's International Trade Promotion Committee, made the request at a breakfast meeting with officials of the three ruling coalition parties, said Wataru Kubo, secretary general of the Social Democratic Party [Social Democratic Party of Japan - SDPJ].

"If the Japanese side can afford (to provide rice), we want (Japan) to lend it," Li was quoted as saying.

Former Foreign Minister Michio Watanabe of the Liberal Democratic Party made a positive response to the request, saying, "we would like to study (the proposal)."

The North Korean side explained about the food shortage in the country, participants in the meeting said.

Foreign Ministry officials have maintained that it would be difficult to export rice to North Korea since the country does not have diplomatic relations with Japan.

Watanabe told reporters after the meeting the supplies of rice to North Korea will not hinder the normalization talks between Tokyo and Pyongyang.

"It will be humanitarian aid and it is common sense (for Japan) not to impose political conditions (in supplying rice)," Watanabe said.

The North Korean side also expressed hope Japan would mediate for South Korea's offer to provide rice to the North, Watanabe said.

DPRK Admits Rice Shortage

OW2605043495 Tokyo KYODO in English 0426 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Senior North Korean trade officials acknowledged publicly for the first time Friday [26 May] that North Korea faces a food shortage and asked Japan to make available its stores of rice for purchase.

Yi Song-nok, chairman of North Korea's International Trade Promotion Committee, made the request at a breakfast meeting with officials of Japan's three ruling coalition parties.

"Due to unseasonable weather, severe damage was done to a bumper crop and a rice shortage was created," Yi told the party representatives including former Foreign Minister Michio Watanabe.

"We are wondering if we cannot borrow a portion of the Japanese surplus," Yi said, adding "if the Japanese side can afford (to provide rice), we want (Japan) to lend it."

Watanabe, who led a ruling coalition group to North Korea in March, promised to consider the request and later told reporters that the food shortage is a "humanitarian issue."

The former foreign minister has been urging the government to make the rice stores available for export, adding that it would also contribute to the creation of a favorable atmosphere for the normalization of diplomatic relations.

Current Foreign Minister Yohei Kono, however, remarked Friday that it would be difficult to export rice to North Korea, "as a sale or as a loan," since the country does not have diplomatic relations with Japan.

Following last year's bumper crop, Japan has an estimated 840,000 tons of rice in store.

On Friday, the North Korean officials indicated that the country would like to purchase "all of the rice or even 80 percent" of Japan's surplus stock.

The North Korean side also expressed the hope Japan would mediate for South Korea's offer to provide rice to the north.

"We want to study the southern proposal if they offer a loan of rice assistance with no preconditions or political conditions attached to it," one North Korean official reportedly said.

According to South Korean estimates, North Korea's production of grain foods fell to 3.88 million tons in 1993 due to the cool summer, but improved slightly to 4.2 million tons last year.

Both figures, however, are short of the estimated 6.72 million tons required to meet the North Korean demand for cereals.

Murayama To Consider Request

OW2605085895 Tokyo KYODO in English 0846 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Prime Minister Tomiichi Murayama promised Friday [26 May] to consider supplying Japan's rice to North Korea in response to the country's request amid its serious food shortage, officials said.

Murayama made the remarks in a meeting with former Foreign Minister Michio Watanabe, who conveyed the North Korean request to the prime minister, the officials said.

The prime minister will soon meet with Foreign Minister Yohei Kono and Agriculture, Forestry and Fisheries Minister Taichiro Okawara over the issue, they said.

Senior North Korean trade officials acknowledged publicly for the first time earlier Friday that North Korea faces a food shortage and asked Japan to make available its stores of rice for purchase.

Yi Song-nok, chairman of North Korea's International Trade Promotion Committee, made the request at a breakfast meeting with Watanabe and other officials of Japan's three ruling coalition parties.

"Due to unseasonable weather, severe damage was done to a bumper crop and a rice shortage was created," Yi told the party representatives.

"We are wondering if we cannot borrow a portion of the Japanese surplus," Yi said, adding that "if the Japanese side can afford (to provide rice), we want (Japan) to lend it."

Watanabe, who led a ruling coalition group to North Korea in late March, promised to consider the request and later told reporters that the food shortage is a "humanitarian issue."

According to South Korean estimates, North Korea's production of grains fell to 3.88 million tons in 1993 due to a cool summer, but improved slightly to 4.2 million tons last year.

Both figures, however, fall short of the estimated 6.72 million tons required to meet the North Korean demand for cereals.

MOFA Says Aid 'Difficult'

OW2505123995 Tokyo KYODO in English 1214 GMT 25 May 95

[FBIS Transcribed Text] Tokyo, May 25 KYODO — Former Foreign Minister Michio Watanabe proposed Thursday [25 May] considering the export of rice to North Korea as a humanitarian issue, but a high-ranking Ministry of Foreign Affairs [MOFA] official flatly ruled out its possibility.

The official said Japanese rice exports to North Korea, which is reportedly facing a food shortage, are unlikely at either the governmental or private level.

Watanabe, who led a ruling party coalition team to North Korea at the end of March, said "a humanitarian issue should be resolved as a humanitarian issue."

"It would be best for the government to reach a decision this way," Watanabe told members of his one-time Liberal Democratic Party faction.

Senior North Korean officials, including the chairman of North Korea's International Trade Promotion Committee, Yi Song-nok, are currently in Japan reportedly to seek purchase of Japanese stores of rice. Watanabe said he is ready to meet Yi.

Watanabe said last week he hopes to see Japan's extra rice sold to the North.

Japan's reserves of imported rice following the country's poor harvest in 1993 are estimated at 840,000 tons.

Foreign Ministry officials have maintained that it would be difficult to offer aid to North Korea since the country does not have diplomatic relations with Japan.

Taiwan's Hsu Li-te, APEC Attendance Discussed

Hsu To Attend Osaka Forum

OW2605061895 Tokyo TOKYO SHIMBUN in Japanese 24 May 95 Morning Edition p 1

[FBIS Translated Text] The government decided on 23 May that Japan, as host country for this year's Asia-Pacific Economic Cooperation (APEC) forum, will allow Hsu Li-te, vice president of Taiwan's Executive Yuan (equivalent to vice premier), to attend the unofficial APEC summit to be held in Osaka on 19 November as Taiwan's representative. However, it will not allow President Li Teng-hui to participate in the meeting.

Hsu concurrently assumed the post of chairman of the Council for Economic Planning and Development [CEPD], the top economic post in the cabinet, in December 1994. Therefore, even if Hsu is allowed to come to Japan, this will not constitute a transgression of the government's standing policy of "following the precedents of the Seattle (United States) and Bogor (Indonesia) APEC meetings in accepting the participation of Taiwanese economic ministers." (according to Prime Minister Tomiichi Murayama)

However, this will still be the first time for a vice premier of Taiwan to attend an unofficial APEC summit. China is certainly expected to protest Japan's decision.

Right now, relations with China are experiencing certain "friction" after Japan served notice that it will reduce grants in aid to the PRC to protest the latter's nuclear tests. The decision to allow Hsu to come to Japan will most probably upset the PRC further.

Murayama has clearly stated that the government will not allow Taiwan's President Li to participate in the unofficial APEC summit. However, it has not come up with an explicit position regarding Vice Premier Hsu. It is believed this is due to Hsu's ambivalent position as concurrent CEPD chairman.

At the Seattle and Bogor summits, then CEPD Chairman Hsiao Wan- chang attended as Taiwan's representative. There has never been a case in which a Taiwanese official with the rank of vice premier has participated in the unofficial APEC summit.

Hsu was also allowed to come to Japan for the opening ceremony of the Asian Games in Hiroshima last October. It seems this precedent also helped in the government's decision to allow him to attend the unofficial APEC summit.

On the other hand, China strongly protested Hsu's participation in the Asian Games opening ceremony. For a time, it even hinted at boycotting the Asian Games. In the end, the PRC limited itself to stating at a Japan-China foreign ministerial meeting in New York last September that, "The action taken by Japan violates the Japan- China Joint Communique and the bilateral Treaty of Peace and Friendship." It did not boycott the Hiroshima Games.

MOFA Weighs Taiwan's Presence

OW2605001695 Tokyo ASAHI SHIMBUN in Japanese 25 May 95 Morning Edition p 2

[FBIS Translated Text] On 24 May, a top official of the Ministry of Foreign Affairs [MOFA] commented on Taiwanese President Li Teng-hui's visit to the United States, saying: "An impact may be felt on Japan's stance regarding Taiwan should the relations between China and Taiwan become tense." In this way, he explained his view that MOFA will study more carefully than before the possibility of allowing representatives of Taiwan to attend the Asia-Pacific Economic Cooperation Conference (APEC), slated to be held in November in Osaka.

As in the case of meetings held previously, Japan is determined to get through the crisis by introducing a compromise measure designed to allow "economic ministers" of Taiwan to attend the Osaka APEC instead of rejecting Li's participation in the meeting. However, Hsu Li-te, vice president of the Executive Yuan (equivalent to vice premier), outranks ordinary economic ministers because he concurrently assumed the post of Economic Construction Committee chairman late last year. Because of this, China has already begun to express its opposition to the Japanese compromise plan.

Takemura Hints at Possible 2d Extra Budget

OW2605082595 Tokyo KYODO in English 0814 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Finance Minister Masayoshi Takemura indicated Friday [25 May] that the government may prepare a second supplementary budget for fiscal 1995, designed to place the nation's economy on full-scale recovery track.

In his speech at a general meeting of the Federation of Economic Organizations (Keidanren), Takemura said his ministry will take flexible fiscal steps in the current fiscal year ending next March or the latter half of this year while watching economic conditions in the future.

The government enacted last week a 2.7 trillion extra budget for the fiscal year aimed at promoting restoration work in western Japan following January's earthquake and to overcome the impact of the strong yen on the domestic economy.

On the yen's recent surge against the U.S. dollar, Takemura said it has no clear economic background and the yen's movement is "uncertain and unstable."

EAP Chief Comments on 2d Supplementary Budget

OW2605043295 Tokyo KYODO in English 0411 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — The government may compile a second supplementary budget for fiscal 1995 to help rebuild Kobe and the surrounding area ravaged by the Jan. 17 earthquake, the nation's top economic planner said Friday.

Masahiko Komura, director general of the Economic Planning Agency [EPA], said at a news conference after a regular cabinet meeting that "there is a fairly strong likelihood a second supplementary budget will be compiled in connection with measures to cope with (the fallout) from the quake."

"There's a possibility the government will respond to the economic situation flexibly depending on economic conditions," he said. The government's first extra budget worth 2.73 trillion yen was approved by the Diet last week.

Komura, referring to the Japan-U.S. auto trade dispute, denied that Japan is on the verge of isolation from other members of the Organization for Economic Cooperation and Development (OECD) despite the reported deletion by the OECD of a Japan-proposed denunciation of U.S. auto trade sanctions from its communique.

"If any country felt a sense of isolation, it would have been the United States," he said.

Komura made the comment on his return from the annual two-day policy-making meeting in Paris of the 25-nation forum, which was reportedly dominated by the Japan-U.S. row over a threatened 100 percent import duty on Japanese luxury cars.

During the parley, Japan proposed inserting into the closing communique words to the effect that the OECD opposed the u.S.- proposed "unilateral sanctions," a source in the Japanese delegation earlier disclosed in Paris.

However, the wording failed to make its way into the final text of the announced communique.

Komura said, "although it would have been better if wording critical of the unilateral sanctions had been included in the communique, the OECD is a venue where (any proposal) can be rejected even by a vote of 24 to one."

He said only U.S. delegates among all the OECD member states opposed the criticism of the proposed sanctions against Japanese automobiles.

Takemura on Yen's Resurgence Against Dollar

OW2605032395 Tokyo KYODO in English 0302 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Finance Minister Masayoshi Takemura said Friday [26 May] the yen's resurgence against the dollar was unreasonable.

Takemura said at a news conference after a regular cabinet meeting, "I don't think there is a definite background we can explain." Takemura attributed the dollar's downfall against the yen Thursday and Friday to selling by U.S. funds.

Following its overnight dive in New York, the dollar plunged below the 85 yen level in Tokyo for the first time in about two weeks from the 87 yen line where it had been hovering for some time.

Takemura expressed hope that his newly appointed adviser Toyoo Gyohten, chairman of the Bank of Tokyo, will find out ways to stabilize foreign exchange rates.

"Making good use of his broad experience and international personal contacts, he is expected to exchange views on what a global currency system should be now that we've gone through rapid foreign exchange fluctuations," Takemura said.

Gyohten, a former vice finance minister of international affairs and an authority on international currency matters, was assigned the position of senior adviser to the Finance Minister Tuesday.

On the nation's economy, Takemura said the situation does not allow much room for optimism. Recent economic statistics were mixed, showing both bright and dark sides, Takemura said. Corporate management, however, seems to have continued generating a moderate economic recovery, he said. Takemura said the government will continue making efforts to keep the economic recovery on track.

Regarding the deadlocked auto trade talks between Japan and the United States, Takemura supported International Trade and Industry Minister Ryutaro Hashimoto's negotiating stance on the occasion of a two-day conference of the Organization for Economic Cooperation and Development, which ended Wednesday in Paris.

"We have to avoid government management of private sector trade," Takemura said. On the other hand, Japan should continue making its own efforts to expand imports with a view to reducing its trade surplus with the U.S., regardless of the automotive negotiations, he said.

EPA Official: Corporate Confidence Improving

OW2605091495 Tokyo KYODO in English 0856 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — Japan's economy will not fall apart even if the yen remains around the 80 level against the U.S. dollar for a month or two, a top official of the Economic Planning Agency [EPA] said Friday [26 May].

EPA Vice Minister Tsutomu Tanaka also said corporate sentiment is improving and the economy will recover in the latter half of the year if capital spending by smaller companies stops falling.

He said consumption is not as weak as it appears under the effects of the Jan. 17 Kobe earthquake and the sarin poison gas case involving the Aum Shinrikyo cult.

Aum Shinrikyo Leaders Profiled

952B0178A Tokyo SHUKAN BUNSHUN in Japanese 13 Apr 95 pp 34-38

[Unattributed article]

[FBIS Translated Text] **From the Finance Minister Down to the Chemical Teams—this article profiles the leaders of the sect who must have gone underground.**

Unceasing television coverage has made Aum Shinrikyo Public Affairs Officer Joyu and attorney Aoyama Number 1 in "Japanese media exposure." However, leaders of the sect are not restricted to these two individuals. Others include the "Minister of Finance" and the "Minister of Science and Technology...." This article describes how these "quiet, serious" elite underwent radical transformations.

Aum Shinrikyo is attempting to use the "propaganda effects" of television to engage in a mass media offensive. A reporter at a private-sector broadcasting station comments, "They allow one station to conduct an exclusive interview with a prominent cult follower, while allowing another station to provide television coverage of cult facilities. It provides NHK with "vindication" for the cult founder and others playing a key role in the scandal. Their approach is very similar to that used during compulsory investigations by the Kumamoto prefectural police when cult members were suspected of violating the Land Utilization Planning Law in 1990."

Public Affairs Officer Fumihiro Joyu (32; Maitoreya) has been appearing on television almost daily leaving hardly any days on which he does not make a live appearance. He was an officer of the cult when it was established and is one of the highest officials, who once served as chief of the Moscow chapter. It appears he felt that attorney Nobuyoshi Aoyama would not be able to handle the situation alone and returned to Japan as soon as the investigations were launched. He has since served as the public affairs officer of the cult.

Joyu's father worked as a salaried worker prior to establishing an export-import firm and Joyu himself is the older of two sons. The family lived in a condominium in Setagaya ward, Tokyo, but according to informed sources, "His father disappeared when his business failed during Fumihiro's elementary school years." However, Fumihiro always stood at the top of the class in his primary, junior, and senior high school years.

In recalling Joyu in his younger years, a neighbor states, "He was quiet and did not make much of an impression on others. During his junior year at Waseda University, it seemed as if he would become hungry around 2200 hours and would frequent a neighborhood Chinese noodle shop. He would always order a bowl of salt-flavored noodles. However, even though he visited the shop daily for a year, he never exchanged any words with the shopkeepers." The same source adds, "He frequented a neighborhood book store to read comics. After lengthy reading sessions, the shopkeeper would attempt to caution him against the practice, but he would sense such moves before execution and make a quick exit. He was a very shrewd chap."

Joyu underwent a transformation after he became a student of the science and engineering department of Waseda University. He hardly ever spent time in the research laboratories, but he played a leading role in English language debates in English Speaking Society circles to the extent that he was referred to as a "legendary figure."

On the other hand, he acquired an interest in supernatural phenomena and learned about cult leader Asahara in magazines called MU and TWILIGHT ZONE. Reportedly, a cult seminary was located nearby, which he began to visit regularly for the purpose of acquiring "supernatural capabilities."

Ultimately, in 1987, he graduated with a specialty in telecommunications from the science and engineering graduate school of Waseda University and went to work for the National Space Development Agency of Japan, but resigned after only one month. The reason he gave was: "Job is incompatible with my interests in yoga."

Transformation of an Obedient, Normal Girl

According to investigative officials, aside from cult leader Shoko Asakara, there are four other leaders in the cult who rank higher than Joyu. The Number 2 ranking official in the cult is "Minister of Finance" Hisako Ishii (34; Maha Kama), considered to be the "Number 1 disciple."

She was an officer of the cult when it was founded and ran as a candidate in the House of Representatives in 1990. She was even arrested during the compulsory investigations conducted by the Kumamoto prefectural police in 1990. A resident, living near her birthplace in Yokohama, who is familiar with her childhood days, states, "In her adolescent days, she was a quiet, obedient, and ordinary little girl," in reference to dyed-in-the-wool cult official Ishii of today. The same source adds, "Hisako was raised by her grandmother because the mother was a career woman, making her very close to her grandmother. The grandmother passed away four or five years ago, and it seems she came home late at night for the wake."

In 1979, she went from the local high school to the Industrial Efficiency Junior College. After graduating, she was employed by the Nissan Fire and Marine Insurance Company where she was assigned to the accounting department at company headquarters.

She met cult leader Asahara when she was introduced to him by a coworker (also an official of the cult named Eriko Iida) at Nissan Fire and Marine Insurance Company.

She began to visit the cult seminary in Shibuya on her way back from work, but an acquaintance reveals, "She lied to her parents by saying, I am taking calligraphy lessons,' but she was actually frequenting the seminary. It appears that her parents were oblivious to the facts until she ran away from home."

In 1986, when Ishii resigned from her job, she seduced her younger sister and her family into joining the Aum cult. The parents once made an effort to get Ishii and the younger sister to leave the cult, but failed. The parents who faced such a bitter experience, confessed, "Our child has become insane," and according to a neighbor, "At one time, the parents had regained a normal state of mind, but they have kept the house shuttered and have locked themselves in their home, ever since the occurrence of the subway sarin incident."

Good Grades, But on the Quiet Side

Tomoko Matsumoto (36; Yashadora) is the wife of cult leader Asahara. She is the offspring of a prominent, local family and both of her parents belong to the teaching profession. According to a neighbor, "She went from the local elementary school to high school, but she was a very bright child."

An elementary and junior high school classmate says, "Tomoko served as class president and mediator among classmates, but was quiet and hasn't left much of an impression."

Aspiring to become a teacher, she took the entrance examinations at Chiba University school of education, but failed. She met cult leader Asahara at a preparatory school that she subsequently attended. In 1978, she married him against the wishes of her parents.

According to a neighborhood shopkeeper, "Tomoko's parents extended financial aid in the purchase of a single-unit home in Funabashi city, but she has hardly ever visited her parents since and I have never heard any stories about the grandchildren."

In recent times, members of the family are never seen in public and reportedly when Tomoko's mother was interviewed by the press, she stated tearfully, "I hope [cult leader Asahara] is arrested soon."

Reika (12; Aajadi), the third daughter of cult leader Asahara, is considered to be the next cult leader.

The Asaharas have a total of six children, including four daughters and two sons. Reika expresses herself in angelic language from her preschool days and is reportedly a favorite of cult leader Asahara. Within the cult's administrative structure, she occupies the key position (?) of "Emperor Secretariat."

Comments are heard among former cult members that, "Having been pampered from her adolescent days, she is a thoroughly spoiled child." It seems that the cult leader has the prerogative of being a "doting father."

Hideo Murai (36; Manjudi Mitra), who appeared on NHK television, is the minister of science and technology. On television, he purportedly stated, "We had made an attempt to manufacture agricultural chemicals at Satian Number 7, but I suspended the operations on my own volition and converted the plant to a religious facility." In so stating, he denied suspicions concerning the facility and defended cult leader Asahara. He has been known to be a top official of the Aum chemical department and in rosters (as of September of last year) obtained by this magazine concerning members of the Science and Technology Ministry, his name is reflected at the top.

He is a native of Hyogo prefecture and became a student of the science department of Osaka University in 1977. Four years later, he was graduated from the physics department of the university and advanced to the science research department of the university graduate school. He specialized in space physics.

In college, he was a member of the astronomy group and according to comments by his acquaintances, "He made good grades, but was quiet." It seems that this description is common to all officials of the Aum Shinrikyo.

The Sorrow of Families Left Behind

After graduation, Murai was hired by Kobe Steel. It was a year later that he would learn of the Aum cult. The key to the introduction was yoga. A source associated with him during those years states, "Eventually, he worked for Kobe Steel for four years, before resigning. His final assignment was to the Mechanical Fabrication Technology Research Section. His reason for resigning was "Personal," but he had revealed to intimate friends that he was going to forsake the world to enter the Aum cult along with his wife."

Thus, five individuals known as Ishii, Tomoko Matsumoto, Reika, Murai, and Joyu are called "Seidaishi," a religious rank falling just below that of cult leader.

The rank which falls just below Seidaishi" is "Seigoshi." According to testimony from former cult members and publications of the Aum cult, it appears there are about seven individuals who hold the rank of "Seigoshi."

First, there is Tomoaki Niimi (31; Miradeba). Within the administrative structure, he occupies the position of "minister of internal affairs" and is responsible for security at cult installations and bodyguard (secretarial) functions for cult leader Asahara.

Niimi is a native of Okazaki city, Aichi prefecture. He was graduated from the local Okazaki Higashi High School and the law department of the Aichi Gakuin University. After graduation, he worked for six months for a local food manufacturer, before forsaking the world and joining the Aum cult. According to relatives, "He attended the Aum Nagoya seminary from the time he was a college student."

There was a time when he took karate lessons as an elementary school pupil, and during his junior high school days, he was a member of the swimming club. A junior high school classmate states, "But, it was not a case of his being highly proficient at sports. He was small physically, was not particularly noticeable, and was not the type to run around on his own initiative. I believe he did not have very many friends."

His father, who is self-employed, comments, "We haven't heard from him for about three years. I do worry about him, but I must confess that he assumed a path of his own choosing. I did not try to dissuade him when he resigned from his job and heaven only knows what he is doing these days." According to testimony by former cult members, Niimi has served as Kyushu chapter chief, Osaka chapter chief, and even as chief secretariat for cult leader Asahara. According to a reporter assigned to cover the cult, "We hear of the existence of a special organization known as the 'Action Unit' under the direct command of the cult leader, which is responsible for retrieving cult dropouts and we hear that Niimi is the leader of the unit."

The already familiar attorney Yoshinobu Aoyama (35; Apayajaha) carries the rank of "Seigoshi."

Eriko Iida (34; Sakura), who talked high official Hisako Ishii into the cult, graduated from the domestic affairs department of the Bunka Women's Junior College and was employed by the Nissan Fire and Marine Insurance Company. She has publicized an "experience of supernatural capabilities" in the cult publication titled "Initiation," based on an inspirational awakening which took place during religious studies shortly after joining the cult in which, "I was asked by a friend to identify her among about 100 mug shots and I was able to do so decisively in less than 10 seconds." "I was infused with a sexual drive (text deleted) and was faced with increased seductions from the opposite sex."

She left the Aum cult for a time, but eventually returned and is currently known to be serving as an officer of an Aum cult-affiliated firm as well as the chief of the Tokyo chapter.

As suspicions concerning the cult intensify, families left behind by cult members face significant tribulations.

Mayumi Yamamoto (40; Kisajgotami), who was graduated from Jissen Women's Junior College and worked as a clerk for a life insurance company, became a cult member as a result of visiting a yoga gymnasium in Shibuya in search of a cure for lumbago. Her mother who lives in Tokyo states, "I felt like I had been struck by thunder when I heard of the compulsory investigations. I have difficulty sleeping at night. I haven't heard from her for several years, but I have no choice but to wait. At any rate, I hope they conduct a thorough investigation and destroy the cult."

Kazuko Tozawa (29; Ubbaranquannaj), who serves as an officer in several affiliated firms, was graduated from the Showa Women's Junior College and served as a clerk with a chemical producer. According to her mother who lives in Tokyo, "Our family did not know that she was affiliated with a group connected with the Aum cult. Even if we had known the name of the cult, we would not have had an understanding of what it stood for. After leaving her job and her home, we heard from her indirectly, but those contacts were designed as an attempt to seduce us into the cult and once they realized they were wasting their time, the contacts ceased. We now consider her to be disowned. We no longer maintain any sort of relationship."

General Affairs Department Chief Kiyohide Hayakawa (45; Tehroba), who was arrested in connection with the compulsory investigation of Namino village and is considered to be a member of the "belligerent faction," fails to make any public appearances, but is a figure that is of concern. He is a native of Nishinari ward, Osaka. He was graduated from Kobe University and studied agricultural engineering (greenbelt planning-engineering) at the graduate school of Osaka Municipal University, before being employed in the civil engineering technology department of a general contracting firm. According to the cult publication titled "Initiation, "He never missed any sessions of seminars" after becoming a member of the Osaka chapter of the Aum cult. According to recent publications, "He is engaged in activities centered around construction work," and is considered to hold licenses to serve as civil engineering and landscaping specialist. According to a reporter assigned to cover the cult, "Information exists that he was in Russia last year, and attention is focused on his connections with the 'Action Unit.'" In November 1989, just before attorney Tsutsumu Sakamoto disappeared, it was Joyu, attorney Aoyama, and Hayakawa that had visited Sakamoto.

Seiichi Endo (34; Jihguaka) is being eyed by authorities (according to investigative sources) as being the "individual in charge of purchasing large quantities of chemical experimentation instruments." After being graduated from the Obihiro Animal Husbandry College's veterinarian school, he became a student of the Kyoto University graduate school's medical research department and engaged in gene research at the virus research center.

At one time, in propaganda material concerning "blood initiation" wherein cult members drank cult leader Asahara's raw blood, there was a passage which read, "An analysis of the cult leader's blood at the medical school of Kyoto University revealed that there was a secret element pertaining to the DNA of his blood," but when attorney Sakamoto, who has disappeared, investigated the assertions, he found them to be groundless. At that time, cult attorney Aoyama, conceded to that finding and (as reported in the 18 January 1990 issue of this magazine), he replied to attorney Sakamoto that "Seiichi Endo had performed the analysis in an Aum cult facility."

Recent publications claim that Endo is engaged in biotechnology research. The foregoing discussion covers all of the cult members holding the rank of "Seigoshi," we will now enter a discussion of cult members being eyed by investigative authorities for reasons other than their religious ranks.

Masami Murai (30; Kushitehgarba) works under the command of Murai, is known to be a central figure on the chemical team, and is being eyed with grave concern by investigative authorities. According to Aum publications, "He is a researcher who has completed the doctoral program at the graduate school of Chikuba University. His specialty is organic physics-chemistry. He has been placed in charge of the chemical department of the Aum Shinrikyo since joining the cult."

At issue is the fact that Tsuchiya is the individual who has provided detailed commentary concerning questions by cult leader Asahara in Aum radio broadcasts and publications concerning chemical weapons (poisonous gases including sarin and tabun).

Mr. N, an Unusual Organized Crime Chief

However, according to a former student advisor during Tsuchiya's college days, "Tsuchiya was engaged in the research of photoisomerization of olefin, a very basic form of research, which had nothing to do with the manufacture of agricultural chemicals or poisonous substances."

Another member of the chemical team includes Toru Toyota (27; Uajirabani). He studied Science I and in the science department at Tokyo University, before studying elemental particle theory at graduate school. Other members of the chemical team include dropouts from the science department of Tokyo University, graduates of the Kyoto University science department skilled in foreign languages, and graduates of the science department of the graduate school of Shinshu University.

Physicians being watched include Ikuo Hayashi (48; Krashinananda) chief of the Aum Shinrikyo Hospital. Hayashi, who was involved in the kidnapping of a wealthy individual from Miyazaki prefecture, was graduated from the Keio University medical school and worked in the circulatory department of the National Sanitarium Seifuso Hospital. He is a cardiovascular surgeon. In April 1988, when he worked at the Seifuso Hospital, Hayashi caused a traffic accident while driving a station wagon in which he dozed off and ran over a nine-year-old girl and her mother. His wife is an anesthesiologist and is also a cult member.

Tomomasa Nakagawa (32; Guajiratessa), who is an advisor to the Aum Shinrikyo Hospital which produced individuals arrested in the recent compulsory investigations, is a graduate of the Kyoto Municipal University medical school and worked for the Osaka Railway Hospital until he forsook the world to join the cult in 1995. He once ran as candidate for the House of Representatives.

Mr. N is an individual being eyed by the authorities as having an unusual existence. Investigative sources indicate Mr. N once served as an organized crime chief of the Kansai region within Aichi prefecture. That particular organized crime entity was dissolved before Mr. N joined the Aum cult, but according to investigative sources, "Mr. N has tattoos all over his body and has been arrested several times for violation of weapons-control laws."

After joining the cult, Mr. N has served as chief of the Nagoya chapter and has been seen visiting Kamikuisshiki village on several occasions. The other day, the owner of the land in Nagoya city which is leased by Mr. N sued the Aum Shinrikyo regarding the building to be constructed on the land.

Masafumi Mitsuo (43; Marba), who once ran for election to the House of Representatives and was arrested as part of the Namino village compulsory investigations, has failed to make any recent public appearances. Mitsuo, who is a graduate of the Chiba Engineering College and a former real estate company operator, has been involved in the purchase of land for the Aum cult throughout the country and is one of the original officers of the cult.

According to an elementary, junior high school, and senior high school classmate, "In any event, he was a serious and quiet person. He maintained an average grade level, and would not join others in merriment. Accordingly, I really don't have much of an impression concerning him."

Although there are some exceptions, a common characterization of cult officials is that they are "quiet, serious, and unimpressive." In contrast, cult leader Shoko Asahara's individual traits are truly powerful.

The question is, where are they hiding out and what are they planning to do next, under the direction of the cult leader?

North Korea

Fifth Day of Nuclear Talks With No Breakthrough

BK2605032695 Kuala Lumpur THE STAR in English 26 May 95 p 2

[Report by Mergawati Zulfakar]

[FBIS Transcribed Text] Kuala Lumpur — The United States and North Korea wrapped up their fifth day of nuclear talks here yesterday with no signal of a breakthrough on the issue of the light-water reactors rejected by Pyongyang.

A statement issued at the end of the two-hour talks said both delegations would continue to have indepth discussions on the light-water reactors.

It said a further meeting was scheduled today but did not give details.

Earlier, on arrival at the US Embassy for the talks, North Korean Vice-Foreign Minister Kim Kye-kwan said they would review the overall issues.

American chief negotiator Thomas Hubbard, who is Deputy Assistant Secretary for East Asian and Pacific Affairs, had said on Wednesday the talks had made no significant progress.

However, in an interview with with Cable News Network (CNN) overnight, he said while no significant progress was reached after four days of talks, "I think we have come to understand each other's position better and perhaps that will be a basis for progress in the days to come."

The transcript was released by the US Embassy after the delegates began their talks yesterday.

Hubbard said both sides had been discussing the mechanism to carry out the light-water reactor project under the Korean Energy Development Organisation (KEDO).

The organisation has been set up by several countries including the United States, South Korea and Japan to carry out the light-water reactor project and energy-related projects in North Korea.

"We have been explaining how we see this project being carried out on the basis of light-water reactors now being built in South Korea.

"I think we have made some progress in winning North Korea's understanding of what we are talking about," he said.

On a North Korean newspaper blaming South Korea for the impasse, Hubbard said the proposed light-water reactors were of high quality.

U.S., ROK 22-24 May 'Air War Game' Denounced

SK2605042395 Pyongyang KCNA in English
0418 GMT 26 May 95

["Adventurous Joint Air War Game Against the North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The U.S. imperialist warmaniacs and the South Korean puppets staged one more joint aerial war exercise against the North in the skies above Oeyon, Chik and Tokjok Islets of South Korea on May 23 and 24 with the mobilisation of scores of overseas-based fighter planes and more than 670 fighter planes of the U.S. 7th Air Force present in South Korea and the puppet airforce, according to military sources.

On the same day, the U.S. imperialists airlifted a large quantity of lethal equipment to the U.S. Air Force bases in South Korea by more than 10 C-5 and other large transport planes from the U.S. mainland and the Pacific bases.

On May 22 and 23, the South Korean puppets staged a "special operation" drill aimed at infiltration into the depth of the North side in the area of Sinchon-ri, Kyonggi Province.

We cannot but take a more serious view of the war hysteria as it synchronized with the announcement of the U.S. imperialist warmongers that they would deploy their aggression forces and an aircraft carrier-led flotilla in and around South Korea to "cope with the crisis surrounding the nuclear negotiations".

U.S. Soldiers 'Assault' Residents in Chunchon

SK2605062495 Pyongyang Korean Central Broadcasting Network in Korean
0800 GMT 25 May 95

[FBIS Translated Text] According to a South Korean radio report, following the group assault by U.S. soldiers in Seoul, an incident occurred in Chunchon, Kangwon Province, South Korea in which the U.S. rascals, who had drunk alcohol, indiscriminately inflicted violence on the residents. Thus, this is making the people all the more angry.

On the evening of 21 May, eight U.S. soldiers, including Corporal Paul Jullen, affiliated with an aviation unit of the U.S. Forces occupying South Korea, stopped a taxi on (Soyang) Road in Chunchon and made false charges. When residents protested, they collectively assaulted them, committing the atrocity of injuring them.

Incidents Involving U.S. Soldiers in ROK Noted

SK2505030695 Pyongyang Korean Central Broadcasting Network in Korean
1222 GMT 24 May 95

[Commentary by Yun Pyong-son: "Beastly Atrocities of the Colonial Rulers"]

[FBIS Translated Text] Recently, in the U.S. colony of South Korea, group bullying of innocent citizens by the rascals of the U.S. imperialist invading army took place successively, enraging the people. According to reports, on the night of 21 May eight drunken American rascals of a U.S. aviation unit stopped a taxi in Chunchon, Kangwon Province, South Korea, and quarreled with the driver. When two passengers tried to stop the quarrel, they beat the passengers as a group, seriously injuring the two.

Prior to this, on 19 May, 13 soldiers from the U.S. imperialist invading army sported with a woman in a Seoul subway and attacked a young man who stepped in. They beat him brutally so that he was in serious condition.

On 22 May, a soldier rascal of the Second Division of the U.S. Army occupying South Korea in Kusan-tong, Uijongbu, Kyonggi Province, took a Korean woman into the bushes and ferociously beat the woman and raped her. Such a beastly atrocity would even make a beast blush. This is a crime that can only be committed by the colonial rulers of the U.S. imperialist invading army, who have become extremely insolent; it is a crime not to be pardoned for ages.

Such beastly acts by the U.S. imperialist invading army occupying South Korea are not new. Since the first day they occupied South Korea, the rascals have practiced homicide, incendiarism, and plunder. In the early days of the occupation, they said they had to occupy Cheju Island even at the cost of killing all the Cheju fishermen, annihilating one fourth of the islanders. Up to this date, there have been countless atrocities committed by the U.S. imperialist beasts; people were shot to death, beaten to death, burned to death with flamethrowers, and women were raped and strangled.

The rascals, accustomed to the U.S. life-style, think they are free to act on their instincts. However, the atrocities committed in South Korea cannot be merely attributed to their beastly desires and bizarre hobbies. What dominates the brains of the U.S. imperialist invading army occupying South Korea is the arrogance of the colonial rulers and occupants. The rascals look down on South Korea as an inferior nation, and everywhere have made a business of homicide incendiarism, plunder, and violence.

The drastic increase in atrocities by the U.S. imperialist invading army in South Korea is also related to the flunkeyism and treason of the Kim Yong-sam ring. As everyone knows, the Kim Yong-sam traitor is a pro-American stooge and flunkeyist nation-seller who took power with the U.S. master's manipulation. The rascal reveres the U.S. Army as his grandfather. He does not care about his compatriots' calamity, but raves about friendship and actively protects the criminals.

Take the example of the incident in Seoul on 19 May, when a young man of the Korean blood was beaten by a group and sent to the hospital bleeding; the puppets could not touch a hair of the criminals and handed them over intact to the U.S. Army authorities, saying the criminals did not respond to the formalities of the interrogation game. The U.S. imperialist invading army has become more insolent in the face of such protection and defense, committing crimes in succession on 21 and 22 May. What is more intolerable is that the Kim Yong-sam treacherous clique mobilized the police and tightened security around the related U.S. facilities to protect their masters from the escalating anti-American struggle of the people resulting from the recent brutal acts of the U.S. soldiers. We cannot help but feel a bursting rage.

Who else in the world can be worse than the national traitors and dirty flunkeyist nation-selling group who are busy protecting their masters when compatriots are bleeding from group-bullying by the invaders? The Kim Yong-sam ring is the most atrocious enemy, with whom we shall never share one sky. As long as the U.S. imperialist invading army occupies South Korea and the flunkeyist nation-selling Kim Yong-sam ring is in power, the South Korean people can never be free from national contempt and calamity. It is natural that the South Korean people are rising in an anti-American struggle. The U.S. imperialist invading army, which slights the South Korean people and inflicts calamity upon them, will pay the due price.

ROK Protest Letter to U.S. Commander Decried

SK2605062995 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 25 May 95

[FBIS Translated Text] According to a radio report from Seoul, the so-called puppet defense minister recently sent some kind of a letter to the U.S. commander of the U.S. Forces occupying South Korea in connection with the atrocities being committed by the U.S. soldiers one after another. In the letter, this fellow enumerated stupid words by saying it is regrettable regarding the atrocities of the U.S. soldiers and an act unbecoming a gentleman. He also begged that since anti-U.S. sentiment is rising among the South Korean people, they should make joint efforts so that unity between the ROK and the United States will not be dispersed.

This is a maneuver that can only be committed by nation-selling colonial puppets who are accustomed to serving the United States, the suzerain state, as if it were their grandfather, without even an ounce of national dignity.

U.S. CNN Head Delivers Gift for Kim Chong-il

*SK2605104995 Pyongyang KCNA in English
1024 GMT 26 May 95*

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The great leader Comrade Kim Chong-il received a gift from the president of the CNN International of the USA and his party on a visit to Korea.

It was handed to an official concerned by President of the CNN International Tom Johnson.

Paper Predicts U.S. Anti-Cuban Bill To Fail

*SK2605045895 Pyongyang KCNA in English
0452 GMT 26 May 95*

["Anti-Cuban Moves Will End in Failure" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The U.S. "Helms-Burton" bill against Cuba comes under fire in NODONG SINMUN today.

The bill is aimed at internationalizing blockade against Cuba and it fully reveals the U.S. habit of putting mean pressure and sanctions on the countries that go against the grain with it and engaging itself in arbitrariness, the analyst says, and continues:

Cuba is conducting a campaign against the bill.

The United States has tenaciously resorted to political and economic pressure and blockade, military threat and diplomatic isolation against Cuba ever since the victory of the Cuban revolution.

U.S. intention is to stifle revolutionary, socialist Cuba. It is a fantastic daydream.

With nothing can the United States frighten the Cuban people and break their revolutionary will.

The Cuban people, rallied close around the Communist Party headed by Comrade Fidel Castro, are moving forward under the uplifted banner of socialism, defying vicious and mean challenge on the part of imperialists.

Many countries of the world, international organisations and prominent figures are bitterly condemning the U.S. for its anti-Cuban bill, and expressing solidarity with the Cuban people.

The Korean people will as ever extend firm support to the just cause of the fraternal Cuban people.

Calls To Use ROK-Style Reactors 'Preposterous'

*SK2605042095 Pyongyang KCNA in English
0414 GMT 26 May 95*

["Preposterous Rigmarole" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The traitor Kim Yong-sam showed up at an electric power station in North Cholla Province on May 23 and said that the "economic effectiveness and safety of the project of standard nuclear power stations of South Korea enjoys international recognition", according to a radio report from Seoul.

This is a sheer lie and an ill-intentioned jargon to mislead public opinion. It is preposterous to describe as "standard" the bogus "light-water reactors of South Korean model" which have not yet made their appearance. It is all the more ridiculous to talk about an "international recognition".

South Korea is incapable of carrying out an elementary construction project. Impudently enough, the South Korean authorities are vociferating about "standard and safety" of their project of nuclear power facilities which requires the high technology. This is the height of folly, indeed.

The outcries of the traitor Kim Yong-sam about "international recognition" reveal the foolish attempt of the puppets to affect the U.S. position at the DPRK-U.S. talks and gratify their scheme to make light-water reactors of South Korean model provided to the North and play a "central role" there at any cost.

No matter how desperately the Kim Yong-sam group tries to prettify its colonial dependent economy with showy words, the vulnerability of the South Korean economy cannot be concealed.

ROK Denounced for Expelling French Journalist

Reunification Committee Decries Action

*SK2505112795 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 23 May 95*

[FBIS Translated Text] The International Liaison Committee for Reunification and Peace in Korea issued a communique on 15 May denouncing the South Korean authorities for forcibly expelling a photojournalist of the French publication, (?EDITING PHOTO JOURNAL) — who had arrived in South Korea to attend a photo exhibition — because he participated in the International Sports and Cultural Festival for Peace held in Pyongyang.

The communique pointed out as follows: Actively joining the journalists' organizations and human rights advocacy organizations in various places of the world in their strong denunciation of the South Korean authorities, the International Liaison Committee for Reunification and Peace in Korea resolutely denounces the South Korean authorities for forcibly expelling (Pierre Besarre), a journalist of the (?EDITING PHOTO JOURNAL) of France.

A renowned photojournalist, he arrived in Seoul on 10 May to attend a photo exhibition and to cover news. At the airport he was interrogated by the police and was expelled. He was even deprived of the right to place a phone call to the French Embassy in Seoul.

The South Korean police regarded him as persona non grata and told him that he could not enter South Korea because he had been to North Korea, linking their action to the National Security Law.

The police said they were expelling him because he had been engaged in spreading pro-North, communist propaganda, while claiming that he had taken and edited photographs that displeased them.

The logic of the South Korean police is an out-and-out lie.

His activities of taking and editing photographs in the DPRK were designed to show the homogeneity of the Korean nation — which exists even though the country has remained tragically divided — and the traditional customs, folklore, history, and culture of the Korean nation.

The South Korean authorities' illegal measure of expelling the French journalist fully exposes the attitude of the South Korean authorities toward freedom of movement and freedom of artistic activities, which are the basic principles and demands that have been recognized by the world.

The act of expelling this journalist because he had been to North Korea shows the difference between what the South Korean authorities are saying and what they are doing.

The International Liaison Committee — a coordination organization of the international solidarity movement for the reunification and peace of Korea — emphasizes that the latest incident fully exposes the falsity of democracy in South Korea.

The South Korean authorities' attempt to suppress all people who are letting others see an objective view of the realities of the North and South of Korea through photographs, dialogues, and words serves as graphic evidence that freedom and human rights are still being violated in South Korea.

While strongly denouncing the South Korean authorities' arbitrary measure taken against the French journalist, the International Liaison Committee is appealing to the organizations of solidarity with the Korean people and the human rights advocacy forces throughout the world to wage an active struggle for the sake of abolition of the National Security Law, an evil law of South Korea.

International Groups Decry Action

SK2605103195 Pyongyang KCNA in English
1012 GMT 26 May 95

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The South Korean authorities kept a French journalist of the editing photographes agency from participating in an exhibition of photos showing the actual conditions of the North and South of Korea, sponsored by the French Cultural Centre in Seoul, and deported him for the mere reason that he had taken part in the Pyongyang International Sports and Cultural Festival for Peace.

In this regard, the International Liaison Committee for Reunification and Peace in Korea released a communique on May 15 and Robert Charvin, chairman of the International Committee of Jurists for Democracy and Human Rights in South Korea, a statement on May 16.

The South Korean police expelled him by invoking the "National Security Law" and arguing that those who have been to North Korea will not be allowed to visit South Korea. The communique and statement say this roundly reveals the falsity of "democracy" in South Korea and attitude of the South Korean authorities toward human rights.

The documents bitterly condemn the South Korean authorities for their high-handed act against the French journalist, and call upon organisations for solidarity with the Korean people, non-governmental organisations and champions of human rights the world over to make active efforts for the abolition of the "National Security Law", an evil law of South Korea.

Commentary Denounces Action

SK2605091995 Pyongyang Korean Central Broadcasting Network in Korean
1222 GMT 25 May 95

[Commentary by Kim Ho-sam: "Is the National Security Law Applicable to Foreigners as Well"?]

[FBIS Translated Text] According to a Seoul broadcast, the South Korean puppets banished a reporter from the

French (IRIKIN) photographic magazine who came to South Korea to attend a photo exhibition and to cover news some time ago. The alleged reason was that he was an unwelcome person because he participated in the international sports and cultural festival held in Pyongyang.

The South Korean puppet police who came to the airport told him, "We banish you because you took and compiled pictures displeasing to us." In other words, he was engaged in pro-North communist propaganda.

The Kim Yong-sam ring's fascist violence is a wanton violation of the basic principles and demands of human rights publicly acknowledged worldwide, and a rude act without parallel in all parts of the world.

Because of the South Korean puppets' rude act, the French reporter had to return to his country that day without even being able to phone the French Embassy in South Korea, though he came to Seoul with approval of his country's Foreign Ministry.

The social circles of the world are indignant at this act of trampling upon human rights by the Kim Yong-sam ring. The International Liaison Committee for Reunification and Peace in Korea stated in a communique that the incident is stark evidence that the infringement on freedom and human rights still exists in South Korea and called for the abolition of the National Security Law.

Meanwhile, (Nober Sharben), chairman of the International Lawyers Committee for Democracy and Human Rights in South Korea, said that French reporter (Pierre Besarre) fell victim to the National Security Law, and deplored that the incident well reveals the degree of South Korea's democracy. It is quite natural that the French social circles have been raising voices of protest and denunciation with each passing day.

As everyone knows, the International Sports and Cultural Festival for Peace held grandly in Pyongyang around the end of April contributed significantly to promoting friendship and confidence of the people of the world under the ideal of peace.

Many reporters and cameramen who participated in the Pyongyang festival reported to the world through their coverage and photographs the reality of our country objectively and impartially by following their convictions. The French reporter whom the South Korean puppets regarded as a troublesome person was one such reporter. There was nothing that constituted a problem.

What he did was to report the reality as it was during his sojourn in Pyongyang, taking pictures of the scenes of the life of our people who enjoy health and longevity under the benevolence of the great leader and our party. There should be nothing to provoke the South Korean puppets.

Nevertheless, the South Korean puppets banished him at the airport on charges of violation of the National Security Law. What tyrants they are!

(Pierre Besarre) is a noted cameraman in France. He has always advocated objectivity and impartiality in his reports. Generally speaking, objectivity and impartiality in news coverage is a common rule that is applied in a society advocating democracy without conditions. Nevertheless, they did not allow the reporter, who makes this his motto in his journalistic activity, to stay but banished him upon his arrival. This is the negation of democracy itself.

The behavior displayed by the Kim Yong-sam ring clearly proves that South Korea is a dictatorial society and a closed society full of falsehood and hypocrisy, even though it preaches democracy.

If the Kim Yong-sam puppet clique truly advocates democracy, it has no reason to disallow the French reporter from entering. The Kim Yong-sam puppet clique's unwillingness to allow the justice- and truth-reporting reporters to enter South Korea is ascribable to traitor Kim Yong-sam's fear that the South Korean reality brought about by its antipeople policy may be revealed to the world as it is.

The Kim Yong-sam ring's plight compelling it to close the door to even one cameraman from a Western country, not a reporter from a socialist country, is well explained by the saying, "All a mad dog sees is a club that will beat it up."

Truly, the National Security Law, the application of which differs with the circumstances, is not only a fascist evil law that blocks the South Korean people's aspiration for independence, democracy, and reunification, but the most vicious law that blocks the freedom of activities of even foreigners engaged in impartial journalistic activities on absurd charges.

As long as this unprecedented absurd law exists, it is impossible to achieve the true democratization of South Korean society, North-South dialogue, and national harmony or to ensure freedom of news coverage by foreigners.

The Kim Yong-sam ring should abolish the National Security Law — an antidemocratic and antireunification evil law — unconditionally and immediately and step down from power without delay.

ROK Blocks Religionists' Reunification Activities

Chondoists Denounce ROK Action

SK2505060895 Pyongyang KCNA in English 0557 GMT 25 May 95

["South Korean Authorities Denounced For Scheming To Block August 15 National Reunification Festival" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 25 (KCNA) — The Central Committee of the Chondoist Chongu Party in a statement on May 24 vehemently denounced the Kim Yong-sam group for blocking a joint service and reunification-related functions of religionists for August 15, branding it as an anti-reunification, anti-national and anti-religionist behaviour to frustrate the grand national reunification festival of August 15 and even harass and trample underfoot free activities of religionists.

The recent unprecedented repressive step taken by the Kim Yong-sam group is a dastardly outrage of separatists which cannot be justified under any pretext and excuse, the statement said, and continued:

All the Chondoists and fellow countrymen in the North, the South and overseas, transcending differences in isms, should pool their wisdom and strength with the single mind of reunification and patriotism so as to determinedly remove the checkbar let down by the Kim Yong-sam group in the way of the grand reunification festival and bring a grand national reunification function of August to a success at any cost.

The Central Committee of the Chondoist Chongu Party ardently calls upon all the chondoists in South Korea who are face to face with the clan of anti-national, anti-reunification "civilian" fascists to join all other people in fighting more resolutely in order to pave the way for the grand national reunification festival marking the 50th anniversary of the liberation of the country.

Reunification Front Denounces Action

SK2605043095 Pyongyang KCNA in English 0422 GMT 26 May 95

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The Central Committee of the Democratic Front for the Reunification of the Fatherland in a statement on May 25 denounced the truculent Kim Yong-sam "civilian" fascists for their anti-reunification heinous crimes of turning a deaf ear to the ardent desire of all the fellow countrymen for the unity of the nation and the reunification of the country and the requirement of the times and allowing no joint rallies for reunification at Panmunjom, threatening to suppress them at the point of the bayonet.

The statement said:

The Kim Yong-sam group is scheming to block the August 15 grand national reunification festival in an attempt to extricate itself from the crisis of collapse, isolated and forsaken by the people. But it must clearly know that its scheme will precipitate its ruin.

The South Korean authorities must withdraw their anti-reunification, anti-dialogue fascist repressive step for August 15 and stop their foolish move to block the grand reunification festival common to the nation.

The South Korean people from all walks of life must rise up in the struggle against Kim Yong-sam to resolutely smash the repressive moves of the "civilian" fascists and make a success of the August 15 grand national reunification festival at any cost, thus making a positive contribution to opening the door of reunification.

ROK Workers, Students Protest 'Suppression'

SK2605043795 Pyongyang KCNA in English 0432 GMT 26 May 95

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The trade union of the telecommunication company has reportedly decided on May 25 to hold meetings of 327 branches simultaneously throughout South Korea and confirm a way of future struggle.

The trade union is lodging a strong protest with the management against its attempt to seek split and disintegration of the organisation while refusing collective bargaining.

Earlier, on the 24th of May, hundreds of students of ten-odd universities in Seoul, including Seoul National University, held a rally to vow to frustrate the suppression of the labour movement.

At the rally they bitterly denounced the Kim Yong-sam group for its brutal suppression of trade unions including those of the Hyundai Motor Company and the telecommunication company in a struggle for right to existence and democratic rights, and called for an immediate halt to it.

The students inaugurated "National Ad Hoc Committee of Students" for the building of innovative industrial trade unions and the frustration of the suppression of the labour movement and vowed to mount a struggle for negotiations on wage hike in solidarity with workers.

More than 600 students of the Kwangju and South Cholla Provincial Federation of General Student Councils ("Namchongnyon") staged an anti-U.S. demonstration in protest against the unbroken chain of brutal atrocities committed by the U.S. imperialist aggression troops on May 24.

They expressed a surging indignation at the fact that the brutalities of U.S. soldiers against South Korean people have occurred one after another, and continued their march for a protest visit to the "American cultural centre" in Kwangju.

On the same day, the "National Alliance for Democracy and Reunification" released a statement vehemently denouncing the atrocities of the U.S. troops, which are committed in an unbroken chain these days, and the crimes of the Kim Yong-sam puppet regime in defending the atrocities.

The dissident organisation in the statement also urged the puppet government to revise the inequal South Korea-U.S. "Status-of-Forces Agreement" and strictly deal with the crimes of the U.S. soldiers.

Analyst Decries Actions Against ROK Trade Union

SK2605045595 Pyongyang KCNA in English
0448 GMT 26 May 95

["Outrages of 'Civilian'-Veiled Dictator" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The traitor Kim Yong-sam prattled that the strike of the trade union of the telecommunication co. of South Korea "will be dealt with severely", vociferating about a "swift and decisive measure" against it. Commenting on this, NODONG SINMUN today brands it as a fascist rigmarole of the "civilian"-veiled dictator with a sword on his belt.

The analyst goes on:

The repressive instruction of the traitor Kim Yong-sam is a sort of "declaration of war" to brutally suppress the righteous struggle of the South Korean workers for existence and democracy by incriminating it.

A wholesale roundup of core unionists is sweeping over South Korea on the repressive order of the traitor. Thus, the traitor Kim Yong-sam revealed once again his reactionary color as despotic tyrant and hideous slaughter of democracy wearing the "civilian" mask. His indiscreet sword-brandishing is a fanatic fit coming from his fear of crisis.

The traitor Kim Yong-sam is running wild as the trade union of the telecommunication co. of South Korea declared an indefinite struggle until their demand was met with the "local autonomy elections" at hand.

However, the sword-brandishing cannot be a way out. The traitor Kim Yong-sam would be well advised to act with discretion, seeing the trend of the times.

Talk Details Antigovernment Struggle in ROK

SK2405235495 Pyongyang Korean Central Broadcasting Network in Korean
0852 GMT 23 May 95

[Unattributed talk: "Ever-Intensifying Antioutside Forces and Antigovernment Struggle"]

[FBIS Translated Text] The great leader Comrade Kim Il-song has taught: South Koreans have recently been intensifying the righteous struggle for independence, peace, and reunification.

South Koreans are further intensifying the antioutside forces and antigovernment struggle as time goes by.

On the afternoon of 22 May, designated as the day of the anti-U.S. struggle, approximately 800 members of the Kwangju-South Cholla Provincial Federation of General Student Councils [Namchongnyon]— who are students at Chonnam University, Choson University, and other universities—attended a meeting at an open theater at Choson University to demand that the truth about the Kwangju massacre be disclosed and that the American Cultural Center be closed. They also staged an anti-U.S. demonstration. At the meeting, the students demanded that U.S. soldiers who beat South Koreans be punished. They also attended a meeting to burn the despicable U.S. flag.

Approximately 400 Namchongnyon members went to the American Center in Kwangju that morning and staged a surprise demonstration, chanting such anti-U.S. slogans as "Withdraw the American Cultural Center which spreads low-level culture!".

Approximately 50,000 university students who attended the meeting on 4-6 May at Kyongbuk National University, Taegu, to inaugurate the third leadership of the National Federation of General Student Councils [Hanchongnyon] insisted the United States is responsible for Korea's division, and repeatedly chanted anti-U.S. slogans, flying placards on which "Yankee go home!" was written. They also threw rotten eggs at the American Cultural Center, a base of U.S. ideological and cultural infiltration.

Approximately 20 citizens' organizations in Pusan, including the Pusan Environmental Movement Federation, waged the struggle to reclaim the pier of Pusan port exclusively used by the U.S. Forces in the ROK as well as other U.S. facilities. Approximately 800 Hanchongnyon members visited a U.S. military unit in protest and strongly demanded that U.S. forces pay rent for the facilities.

In addition to the anti-U.S. struggle, the struggle has also been intensifying to overthrow the puppet traitor Kim Yong-sam and other traitors. As has already been reported, the struggle against the puppet Kim Yong-sam clique was vigorously waged on the 15th anniversary of the Kwangju popular uprising. On 18 May, approximately 30,000 citizens and students in Kwangju attended a commemorative meeting and a memorial service for the 18 May Kwangju uprising. Meetings took place in 15 universities in Seoul to express the participants' resolve. Citizens, university students, and members of dissident organizations attended rallies on the Kwangju uprising at universities, parks, churches, and various other places in Taejon and the rest of South Korea. They demanded that ringleaders of the Kwangju massacre be punished, sternly denounced the puppet traitor Kim Yong-sam for defending murderer-traitors Chon Tu-hwan and No Tae-u, and strongly demanded he be removed from power.

On 13 May, mass rallies were held in 13 South Korean cities— including Seoul, Kwangju, Pusan, Masan, and Taejon—to demand that those responsible for the Kwangju murder be indicted. The participants demanded the United States accept its responsibility for the Kwangju murder and apologize, saying the puppet Kim Yong-sam government, without correctly solving the Kwangju problem, is trying to let history judge the incident. The 50,000 university students who attended the meeting to inaugurate the third leadership of Hanchongnyon branded the current puppet Kim Yong-sam regime a fascist dictatorial regime; chanted "Overthrow the civilian regime!" and "Kim Yong-sam should resign!"; and expressed their resolve to positively wage the struggle against the puppet Kim Yong-sam regime, a regime that relies on outside forces and seeks confrontation with fellow countrymen, a civilian dictatorial regime, to hasten the new day of independence, peace, and reunification.

On 21 May, approximately 1,000 representatives of the preparatory committee to form a federation of democratic trade unions who came from across the country attended a meeting at the square in front of Kwangju station to express their resolve to crush the suppression of the labor movement, denounced the puppet Kim Yong-sam clique for suppressing the just struggle of the labor union of South Korea's Korea Telecom, and adopted a resolution to wage a nationwide strike in protest. On this resolution, each member labor union plans to start a strike sometime on 15-20 June, and the preparatory committee to form a federation of democratic trade unions plans to hold a meeting in Seoul on 25 June in which representatives of member unions will express their resolve to crush the suppression of the labor movement. The committee will hold similar meetings simultaneously across South Korea on 27 June.

Approximately 1,500 people, including university students in Inchon and Puchon and residents of Tokchok Island, attended a citizens rally on 20 May at the square in front of Tonginchon Station to oppose the construction of a nuclear waste disposal site, condemned the puppet Kim Yong-sam clique for maneuvering to build a nuclear waste disposal site, and staged a demonstration despite suppression.

The antioutside forces and antipuppet struggle is further expanding as time goes by. In addition, approximately 2,000 members of Korea Telecom have declared that they would wage a struggle indefinitely, and other South Korean workers have been vigorously waging struggles.

Embarrassed by the fact that the South Korean youth and students and people in general have been further intensifying their struggle, the fascist Kim Yong-sam clique, surpassing even the military dictator-traitors Chon Tu-hwan and No Tae-u, massively mobilized oppressor forces, fired tear gas canisters at righteous participants in the struggle, and brutally suppressed them.

However, the flames of the anti-U.S. and antigovernment struggle are flaring up more fiercely as time goes by. As long as the U.S. imperialists' colonial rule continues in South Korea and as long as there are such betrayers of the nation as the traitor Kim Yong-sam, the South Korean youth and students and people in general will more boldly and more fiercely fight against foreign aggressors and their running dogs. By so doing, the South Korean youth and students and people in general will achieve independence, democracy, and reunification by waging struggles.

PRC Institute Delegation Departs 24 May

SK2605125695 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 24 May 95

[FBIS Translated Text] A delegation of the Chinese Institute of International Studies headed by Major General Yang Chengxu returned home by plane on 24 May. Functionaries concerned were on hand at the airport to bid farewell to the delegation.

PRC Envoy, Embassy Workers Help Transplant Rice

SK2605112595 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 24 May 95

[FBIS Translated Text] Qiao Zonghuai, PRC ambassador to the DPRK, and embassy employees assisted in farming work at the DPRK-PRC friendship Taekam cooperative farm on 24 May. The guests transplanted rice by helping the farmers, who are meticulously carrying out farm work according to the demand of the chuche farming method and who are embraced with the single desire to elucidate this year — the 50th anniversary of the party founding — into a bumper year.

While resting, the guests talked with the farmers here and sang songs of the two countries, thus deepening feelings of friendship.

Kim Chong-il Banquet Marks Chongnyon Anniversary

SK2505063195 Pyongyang KCNA in English 0614 GMT 25 May 95

[FBIS Transcribed Text] Tokyo, May 23 (KNS-KCNA) [dateline as received] — A banquet arranged by the great leader Marshal Kim Chong-il as a gift on the 40th anniversary of the formation of the General Association of the Korean Residents in Japan (Chongnyon) took place at the Hyogo prefectural headquarters of Chongnyon on May 21.

Present there were Kwon Sun-hui, vice-chairman of the Central Standing Committee of Chongnyon, the chairman and officials of Hyogo prefectural headquarters of Chongnyon, and bereaved families of the Korean victims of the Hanshin-Awaji great earthquake.

The speakers at the banquet expressed warm thanks to Marshal Kim Chong-il who extended a consolatory message and money to the quake victims in Hyogo prefecture and sent gifts and arranged a banquet on the 40th anniversary of the formation of Chongnyon, and evinced their determination to effect a new change in the patriotic work.

A letter to Marshal Kim Chong-il was adopted at the banquet.

Earlier, banquets arranged by Marshal Kim Chong-il on the same occasion took place at the Korean Hall in Tokyo.

Chongnyon Leaders Address Meeting in Tokyo

SK2505103395 Pyongyang KCNA in English 1021 GMT 25 May 95

[FBIS Transcribed Text] Tokyo, May 24 [date as received] (KNS-KCNA) — A central meeting to mark the 40th anniversary of the formation of the General Association of Korean Residents in Japan (Chongnyon) was held in Tokyo on Wednesday.

The participants paid a silent tribute to the memory of the great leader Generalissimo Kim Il-song.

A silk banner sent in joint name by the Central Committee of the Workers' Party of Korea, the Central People's Committee and the Administration Council of the Democratic People's Republic of Korea was introduced at the meeting.

Introduced at the meeting were messages of greetings from public organisations of the Republic, overseas headquarters and regional headquarters of the National Alliance for the Country's Reunification, organisations of overseas compatriots in different countries, political parties and public organisations and solidarity organisations in Japan and organisations and figures of different countries of the world.

Han Tok-su, chairman of the Chongnyon Central Standing Committee, in his speech said that the letter sent by respected General Kim Chong-il on the occasion of the 40th anniversary of the formation of Chongnyon is an important guideline and a brilliant banner of victory to open a stage of radical development in the movement of Koreans in Japan ringing in a new epoch.

He called on the Chongnyon officials and the compatriots in Japan to respect the generalissimo as the sun of chuche forever, thoroughly carry out the historic letter of the general in a singlehearted unity with loyalty to him and create a new history of development in patriotic work, thus further exalting the glorious Kim Chong-il era.

Yi Chin-kyu, first vice-chairman of the Chongnyon Central Standing Committee, in his speech said that the Koreans in Japan, with the belief that guided by the respected general they will surely win victory, must firmly make Chongnyon a patriotic organisation of the general, which is deeply rooted among the broad masses of compatriots, further strengthen and develop national educational work, the lifeline of inheritance of the patriotic tradition, and successfully discharge their important mission in their international and external affairs for prosperity of the country and reunification in the 90s.

A letter of thanks to the great leader Marshal Kim Chong-il from the Chongnyon Central Standing Committee on the 40th anniversary of its formation was read at the meeting.

The Chongnyon Central Standing Committee hosted a reception in Tokyo on May 23 on the 40th anniversary of the formation of Chongnyon.

Editorial on Kim Chong-il Letter to Chongnyon

SK2605103095 Pyongyang KCNA in English 1008 GMT 26 May 95

["Guiding Principle for Movement of Koreans in Japan" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The great leader Comrade Kim Chong-il sent a historic letter "On Developing the Movement of Koreans in Japan Onto a New Higher Stage" to the General Association of Korean Residents in Japan (Chongnyon) and compatriots in Japan on the occasion of the 40th anniversary of its formation.

The historic letter is a famous work to further develop the great leader Comrade Kim Il-song's idea and theory of chuche-orientated movement of overseas compatriots; it is a theoretical and practical weapon to strengthen and develop the movement of Koreans in Japan onto a new higher stage as he wished; and it is a brilliant beacon to achieve a turn in the sacred national and patriotic struggle of Chongnyon and compatriots in Japan, NODONG SINMUN today stresses.

The editorial says:

The historic letter carries the firm will of respected Comrade Kim Chong-il to strengthen and develop the movement of Koreans in Japan into a sacred national and patriotic movement which invariably serves its country, its motherland, and his warm affection and intention to lead the Chongnyon officials and compatriots in Japan to enjoy a worthy and happy life on the patriotic road for the motherland and the nation.

In the historic letter, Comrade Kim Chong-il highly estimated the great exploits made by Chongnyon in the past period for the motherland and nation. This is an inspiring banner to fill Chongnyon and compatriots in Japan with a new patriotic enthusiasm and call them to the national and patriotic struggle.

The letter is of historic importance in that it elucidates the main orientation and central task to bring about a new turn in the movement of Koreans in Japan in conformity with the actual situation and the historic duty of our party and revolution to carry forward and accomplish the revolutionary cause of chuche pioneered and guided by Comrade Kim Il-song generation after generation.

Implementation of the task and duty set forth by Comrade Kim Chong-il in the letter is the key to strengthening and developing Chongnyon invariably as a chuche-orientated patriotic organization and developing the movement of Koreans in Japan onto a new higher stage.

The Chongnyon officials and compatriots in Japan must invariably keep loyalty to Comrade Kim Il-song and remain loyal to the idea and leadership of Comrade Kim Chong-il so as to strengthen and develop Chongnyon as an overseas Koreans' organization of Comrade Kim Il-song and Comrade Kim Chong-il.

Chongnyon Leadership Thanks Kim Chong-il

SK2505063695 Pyongyang KCNA in English 0618 GMT 25 May 95

[FBIS Transcribed Text] Pyongyang, May 25 (KCNA) — A letter of thanks came to the great leader Marshal Kim Chong-il on May 25 from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on the occasion of the 40th anniversary of the formation of Chongnyon.

The letter says that the great leader Generalissimo Kim Il-song on May 25, 1955 organized Chongnyon by embodying the chuche idea, saved the movement of Koreans in Japan from the crisis of ruin and brought about a fundamental change in the fate of Japan-resident Koreans.

"The immortal exploit of the respected leader Generalissimo Kim Il-song that was recorded conspicuously in the history of overseas compatriots worldwide is shedding its brilliant rays to the whole world thanks to you respected General Kim Chong-il," says the letter.

"We will uphold you respected general as the destiny of the motherland and the nation, the destiny of Chongnyon and Koreans in Japan and strengthen and develop Chongnyon as a patriotic organization overseas intensely loyal to you, thereby adding lustre to the glorious Kim Chong-il era in the history of the movement of Koreans in Japan," it notes.

The letter wishes Marshal Kim Chong-il a long life in good health.

Meanwhile, the Central Standing Committee of Chongnyon and its Chairman Han Tok-su sent telegrams to Marshal Kim Chong-il, thanking him for naming Pyongyang University of Light Industry after Han Tok-su.

Chongnyon Tokyo Meeting Thanks Kim Chong-il

SK2505103895 Pyongyang KCNA in English 1026 GMT 25 May 95

[FBIS Transcribed Text] Pyongyang, May 25 (KCNA) — The great leader Marshal Kim Chong-il received a letter of thanks from the participants in the central meeting of Koreans in Japan to convey the letter he sent on the occasion of the 40th formation anniversary of the General Association of Korean Residents in Japan (Chongnyon).

The letter of thanks dated May 24 notes the sending of historic letter by respected General Kim Chong-il is a great historic event that fuels fresh confidence and courage to officials of Chongnyon and Korean compatriots in Japan, opens a turning-point phase in the development of the movement of Koreans in Japan and greatly encourages the world's movement of overseas compatriots.

"In the historic letter you respected General Kim Chong-il reviewed and highly appreciated the proud course covered by and achievements made by Chongnyon in the past 40 years and indicated in an all-round way the important tasks facing the movement of Koreans in Japan now at a new stage of its development," says the letter.

"All the achievements made in the work of Chongnyon greeting its 40th formation anniversary are a precious fruit of the outstanding leadership and warm loving care and solicitude of you respected General Kim Chong-il who are further glorifying the immortal exploits of the great leader Generalissimo Kim Il-song who organized Chongnyon and brought it up to be a pioneer of the world's overseas compatriots' movement," it notes, adding: "We will take the road of loyalty to the end. We will further strengthen and develop Chongnyon organization at all levels into a patriotic organization boundlessly loyal to respected General Kim Chong-il, true to the behests of the great leader Generalissimo Kim Il-song, and always add lustre to the immortal exploits performed by the generalissimo in guiding the movement of Koreans in Japan, holding him in high esteem for all ages."

The letter reverentially wishes Marshal Kim Chong-il a long life in good health.

Chongnyon, Other Groups Visit Kim Il-song Statue

SK2605042295 Pyongyang KCNA in English 0410 GMT 26 May 95

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — A delegation and home-visiting groups of the General Association of Korean Residents in Japan (Chongnyon) staying in the socialist homeland on the occasion of the 40th anniversary of the formation of Chongnyon called at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang to lay floral baskets and bouquets and make bows on Thursday.

Choe Pyong-cho, vice-chairman of the Central Standing Committee of Chongnyon, said that they would firmly defend and exalt for all ages the chuche idea of the fatherly leader and his immortal exploits of leadership over the movement of the Koreans in Japan and that they would hold the great General Kim Chong-il in high esteem forever as the leader of the nation and remain royal and filial to him true to the behests of President Kim Il-song.

He emphasized that they would firmly build up Chongnyon as an overseas compatriots' organization of the respected General Kim Chong-il and wage a vigorous patriotic struggle to realise national reunification at an early date and make the socialist homeland of chuche more prosperous, upholding the letter sent by the respected general on the occasion of the 40th anniversary of the formation of Chongnyon.

Meeting Marks Kim Il-song Visit to Algeria

SK2605050495 Pyongyang KCNA in English 0458 GMT 26 May 95

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — A meeting was held in Pyongyang on May 25 to mark the 20th anniversary of the visit of the great leader President Kim Il-song to the Algerian Democratic and People's Republic.

The participants in the meeting observed a moment's silence to honour the memory of President Kim Il-song.

And they also paid a silent tribute to the memory of President Houari Boumedienne [spelling of name as received].

Yun Ki-chong, minister of finance and chairperson of the Korea-Algeria Friendship Association, made an address at the meeting. She said that the historic meeting between the great leader Comrade Kim Il-song and his excellency respected President Houari Boumedienne during his visit to Algeria in May 1975 was an epochal event of decisive significance in the development of friendly relations between Korea and Algeria.

She added:

"During his visit to Algeria the great leader waged energetic external activities for the development of friendly and cooperative relations between the two countries and strengthening of the Nonaligned Movement and performed brilliant exploit. From then on the friendly and cooperative relations between the peoples of Korea and Algeria have developed on to a new higher stage.

"The Korean people sincerely rejoice over the achievements of the friendly Algerian people in the efforts to build a new society and extend firm solidarity to their just struggle."

Algerian Ambassador to Korea Hanafi Oussedik said in his speech that the visit of President Kim Il-song deepened the intimacy between the leaders of the two countries and further consolidated in width and depth the unbreakable friendship and solidarity between the peoples of Korea and Algeria.

He expressed his firm belief that this year marking the 50th anniversaries of the liberation of Korea and the foundation of the Workers' Party of Korea will be an occasion for the Korean people to defend and further develop the achievements which were already made under the leadership of President Kim Il-song and more firmly unite around his excellency the great leader Marshal Kim Chong-il.

Algerian Officials Visit Kim Il-song Statue

SK2605105195 Pyongyang KCNA in English
1023 GMT 26 May 95

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — Algerian Ambassador to Korea Hanafi Oussedik and his embassy officials today called at the statue of the great leader President Kim Il-song on Mansu Hill and laid bouquets of flowers before it with deep reverence for him on the occasion of the 20th anniversary of his visit to the Algerian Democratic and People's Republic.

Kim Il-song Visits to Algeria, Mauritania Marked

SK2605105095 Pyongyang KCNA in English
1032 GMT 26 May 95

["Imperishable Exploits for Development of Friendly Relations With Newly-Emerging Nations" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — NODONG SINMUN today dedicates a signed article entitled "Imperishable Exploits for Development of Friendly Relations With Newly-Emerging Nations" to the 20th anniversary of the state visits of the great leader Comrade Kim Il-song to Algeria and Mauritania (May 26-June 2, 1975).

Comrade Kim Il-song conducted energetic external activities for strengthening friendship and unity with the world people aspiring after independence and for the progress and victory of human cause of independence in his lifetime, the article says, and continues:

He, gifted with clairvoyant foresight and distinguished strategy, paid historic long way visits to Algeria and Mauritania in order to strengthen friendship, unity and solidarity with non-aligned countries and other developing countries and accelerate global independence in accordance with the trend of the times toward independence.

His visits to Algeria and Mauritania proved fruitful.

The visits were special events in the history of relations between the DPRK and these countries and a powerful demonstration of friendship and unity between the Korean people and peoples of these countries.

His historic visits further consolidated and developed onto a new higher stage the friendly and cooperative relations between the Korean people and peoples of Algeria and Mauritania sealed in the anti-imperialist joint struggle. And his visits made a great contribution to strengthening unity with developing countries and the Nonaligned Movement and other anti-imperialist forces for independence the world over and promoting the cause of global independence. The visits dealt a telling blow at the imperialists and colonialists, who were trying to hinder unity and solidarity of the newly-emerging forces and seeking to gratify their dominationist ambition. After his visits to Algeria and Mauritania, friendship, unity and solidarity between the Korean people and peoples of these countries and peoples of other African and developing countries have further grown in scope and strength and the world people conducted the anti-imperialist movement for independence with redoubled efforts in order to achieve the independent development of the countries and independence of humankind against the dominationist policy and aggression and interference of the imperialists.

The Korean people will as ever make active efforts to upgrade friendly and cooperative relations with developing countries including Algeria and Mauritania, strengthen the anti-imperialist forces for independence and make the world independent.

The shining feats performed by Comrade Kim Il-song in developing friendly and cooperative relations with developing countries and strengthening unity with the anti-imperialist forces for independence, will be immortal.

Reportage on Visit by Lao Youth Delegation

Hwang Chang-yop Meets Delegation

SK2505214595 Pyongyang KCNA in English 1506 GMT 25 May 95

[FBIS Transcribed Text] Pyongyang, May 25 (KCNA) — Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly talk with the visiting delegation of the Lao People's Revolutionary Youth Union headed by Venthong Luengvilai, secretary of the Central Committee of the union.

The head of delegation said during their visit to Korea they could realise that the great leader President Kim Il-song and the great leader Comrade Kim Chong-il attached great significance to the work among youth and children and brought them up excellently.

He stressed that the friendship and unity between the peoples and youths of Laos and Korea will develop forever.

LSWYK Officials Meet Delegation

SK2605050395 Pyongyang KCNA in English 0426 GMT 26 May 95

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — A friendly gathering between officials of the League of Socialist Working Youth of Korea [LSWYK] and the visiting delegation of the Lao People's Revolutionary Youth Union was held in Pyongyang on Thursday.

Present there were Vice-Chairman of the LSWYK Central Committee Choe Hyon-dok and other officials.

The delegation of the Lao People's Revolutionary Youth Union led by Venthong Luengvilai, secretary of the Central Committee of the union, was on hand.

The participants had a conversation about achievements and experiences of the Korean youth in their efforts for socialism and deepened feelings of friendship, singing songs.

Article Observes Founding Anniversary of OAU

SK2505214395 Pyongyang KCNA in English 1504 GMT 25 May 95

[FBIS Transcribed Text] Pyongyang, May 25 (KCNA) — NODONG SINMUN today dedicates a by-lined article to the 32nd founding anniversary of the Organization of African Unity [OAU].

The paper says:

The Organization of African Unity was formed according to the desire of the African people for building a new Africa with joint efforts and has successfully carried out its mission and role over the past 32 years.

Africa today is not what it was yesterday.

Colonialism has finally been liquidated and hateful racism and apartheid ended in the African Continent.

African countries are pursuing independence in politics.

The countries are strengthening regional cooperation and solidarity to resolve the economic difficulties on the principle of collective self-reliance.

They contend that regional conflicts and disputes in the continent should be solved by themselves. They are trying to find the solution through dialogue and negotiation, make the continent a nuclear-free peace zone and create a good atmosphere for socioeconomic development.

The increasing role of the OAU will further encourage the peoples of the continent in the struggle to achieve prosperity of Africa by their own strength and efforts.

Committee Greets Workers Party of Ireland

SK2605103595 Pyongyang KCNA in English 1021 GMT 26 May 95

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — The Central Committee of the Workers' Party of Korea today sent a message of greetings to an annual meeting of the Workers' Party of Ireland.

Expressing the belief that the annual meeting will mark an important occasion in the activities of the party and party members for peace, socialism and the strengthening and development of the party, the C.C. [Central Committee] of the Workers' Party of Korea wished the party success in the annual meeting.

Inevitability of 'Our-Own-Style' Socialism Cited

SK2505121995 Pyongyang NODONG SINMUN in Korean 5 May 95 p 2

[Article by Sin Ung-chol: "A Classical Work That Vigorously Demonstrated the Invincibility of Socialism of Our Own Style"]

[FBIS Translated Text] Today, socialism of our own style is endlessly pressing hard on the heels of the enemy amid the absolute support and trust from the popular masses.

The more the invincible might and vitality of socialism of our own style centered on the popular masses is highly manifested, the more our people think about the sagacity of the party's and leader's leadership that vigorously builds the most superior socialism and endlessly consolidates and develops it.

On 5 May 1991, the great leader [yongdoja] Comrade Kim Chong-il made public the classic work, "Socialism of Our Own Style Centered on the Popular Masses is Invincible." Thus, he vigorously demonstrated the superiority and invincibility of socialism of our own style. An important ideology penetrated in the work is that socialism of our own style centered on the popular masses, which embodies the chuche idea, is indeed the most superior socialism in this world, and socialism of our own style, which puts forth the people as true masters of society and all of society and which is serving the people, are eternally invincible.

In the work, it elucidates the ideology that socialism of our own style, which is built with the chuche idea as its guiding principle, guarantees an independent and creative life for the popular masses. And socialism of our own style, in which the leader, the party, and masses are united, is a socialism that has eternal vitality. Because of this, the work is an encouraging banner making it possible for our people to vigorously struggle to make my country and my fatherland all the more rich and powerful by having great pride and honor in socialism of our own style.

The source of the invincible might of socialism that came forth reflecting the popular masses' independent desire and demand of the era lies in the popular masses' support and trust. Our people's support and trust toward socialism of our own style is firm and resolute. Through a long struggle and life, our people are deeply experiencing how precious socialism of our own style is. Today, the imperialists and reactionaries are viciously maneuvering to crush our Republic, but our socialism does not waver the slightest regardless of the enemies' nasty attack and slander, but is continuing to vigorously advance according to its own road.

The superiority and invincibility of socialism of our own style lies in the fact that it is a man-centered socialism that was built according to the most scientific and chuche socialist theory.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: "The secret of the solidity and invincibility of our socialism lies in the fact that it is a socialism centered on the popular masses in which the people are put forth as true masters of society and all of society serves the people."

Importantly, the invincibility of socialism is guaranteed according to the scientific accuracy of socialist theory. Socialism, in which there is no ideological basis, and correct socialist theory cannot be regarded as true socialism, and it cannot prevent the antisocialist maneuvers of the imperialists and reactionaries, and thus may be frustrated. This can be seen from the lesson of the countries where socialism was frustrated and capitalism was restored.

In the work, the great leader [yongdoja] Comrade Kim Chong-il elucidated that our country's socialism is a man-centered socialism embodying the great chuche idea. In the work it clearly demonstrated, based on the practical experience of our revolution, that because our socialism is embodying the chuche idea — a revolutionary ideology of the independent era — it is becoming the most superior socialism centered on the popular masses thoroughly advocating the demand of the working class; the demand of the masses from all walks of life; and the nation's independent right and the world people's independent intention.

The chuche socialist theory is a man-centered socialism and socialist theory centered on the popular masses that was scientifically systemized based on the philosophical theory that man is master of everything and makes decisions about everything, and the chuche idea that elucidated the inevitability of the social movement as a chuche-oriented movement. According to the chuche socialist theory, the popular masses become masters of everything, everything serves the popular masses, and through the united strength of the popular masses the essence of the developing socialist society and the inevitability of its development were wholly elucidated for the first time in history.

The experience of actual practice of our revolution clearly proved that the chuche-based socialist theory is scientific and truthful. Our people had to begin the struggle for socialism from the backward situation of a colonial semifeudal society and carry out revolution and construction under uniquely difficult conditions. However, our people were able to advance the socialist cause direct to victory without going slightly astray because their future was illuminated by the systemized socialist and communist theories that placed the working popular masses in the center. The theories include the chuche-based theories on national liberation, class liberation, and human liberation, as well as the theories on social reform, reform of nature, and human reform. In the socialist construction, our party firmly placed priority on the human reform and ideological reform work and strengthened the political and ideological strength of our revolution by all means, while reinforcing the self-reliant national economy and the military self-defense capability. This is why our people have been able to remain unflinching under any complicated situation and have vigorously accelerated the revolution and construction. The strict reality of our country's socialism clearly proves the scientific and truthful character of the chuche-based socialist theory — the popular masses-centered socialist theory. Socialism of our own style, which is based on the chuche-oriented socialist theory and which advances under the only guidance of chuche, is the most scientific and vital socialism.

The superiority and invincibility of socialism of our own style is also based on the chuche-oriented view and position on human beings.

The view and position on human beings is a basic question of what view and position to take in developing society and revolution and how to understand the development. A social system is meaningless without human beings. Our socialism is scientific and truthful because it is based on the most correct view and position on human beings.

The great leader [yongdoja] Comrade Kim Chong-il explained in his work that our country's socialist system is the best socialist system that provides the popular masses with an independent and creative life, and that the socialism of our own style demonstrates great superiority and vitality. The work strongly proved that our people's desire to bountifully enjoy an independent and creative life was brilliantly fulfilled in all aspects of their political, economic, ideological, and cultural life owing to the wise leadership and great care of the party and the leader.

To lead an independent and creative life is an inherent demand of human beings and the demand can only be fulfilled in a society based on a correct view and position on human beings. Our country's socialism was built on the chuche-based view and position on human beings.

Today, our people's desire to be free from all kinds of subjugations of nature and society and bountifully enjoy an independent and creative life has been brilliantly fulfilled in all aspects of their political, economic, ideological, and cultural life. All working people in our country are equal members of society who share equal political rights and participate in exercising sovereignty and state management as the masters. Everyone is a part of sociopolitical life and enjoys an independent and creative life in the love and faith of the collective. The social ownership of production devices unitarily rules our country, where the popular masses enjoy a creative workers' life as the masters of economic management and everyone enjoys an equally happy life.

Our socialism values human beings most and fulfills the inherent demand of human beings. Our socialism is a human being-oriented socialism that gives everyone sociopolitical life and makes them endlessly glorify the sociopolitical life, while smoothly guaranteeing the demands of their physical life as well. The invincibility of socialism of our own style lies in the fact that our socialism gives all society members high ideological consciousness and creativity, makes them devotedly struggle for society and the collective, and live harmoniously together amid the love and faith of society and the collective, while enjoying a valuable, rewarding, and contented life.

The superiority and invincibility of socialism of our own style also lies in the fact that it is based on the chuche-oriented viewpoint and position of the popular masses.

The truthfulness and superiority of socialism appears in its support and trust by the popular masses. Our socialism is based on the chuche-oriented viewpoint and position of the popular masses. Therefore, it is becoming the most superior and mighty socialism receiving the popular masses' absolute support and trust.

The popular masses are masters of all things in society. Since the popular masses are masters of all things in society, they must occupy the position of a master; exercise the right of a master; fulfill the responsibility and role of a master; and enjoy a high-quality life of a master.

If the popular masses' independence is to be thoroughly advocated and realized, all lines and policies must be established reflecting the popular masses' independent demand and implement them according to their strength. Our country's socialism is advancing victoriously along the most scientific road without the slightest deviation and twists and turns. This is because our party goes into the popular masses and establishes lines and policies reflecting their independent demand and thoroughly implements them according to the popular masses' strength.

The essential content in the popular masses' high-quality and happy life is elucidating the social and political life amid the love and faith of the social group and enjoying a dignified life. If a socialist system is established, class confrontation is liquidated and relations between people change from confrontation and mistrust to love and faith. The leader and fighter and party and people are united through love and faith, and the whole society is turned into a social and political organic body. Therefore, endlessly elucidating the social and political life for all the members of society is the most precious and beautiful life, and a society that realizes it becomes the most solid, vitalized society.

In the work, the great leader [yongdoja] Comrade Kim Chong-il elucidated that our country's socialism is an invincible socialism in which the leader, the party, and the masses are single-heartedly united. The work wholly sums up that the single-hearted unity of the leader, the party, and the masses, which are the eternal vitalities of our country's socialism, has its source in the great leader's endless love toward the people and our party's politics of benevolence.

Due to the politics of benevolence of the party and leader, today our people are elucidating the lofty social and political life under the socialist system of our own style centered on the popular masses and are enjoying the most precious and dignified life. The true appearance of our society's single-hearted unity is for all members of society to have faith in, love, and help each other and form a happy large family and enjoy a worthwhile and happy life. This is the proud fruition of our party's politics of benevolence. Here lies the basis of socialism of our own style, centered on the popular masses, becoming an invincible socialism that is receiving the popular masses' absolute support and trust.

Our people's firm and resolute faith and will is to further firmly unite around the great leader [yongdoja] Comrade Kim Chong-il and elucidate socialism of our own style centered on the popular masses.

Daily Stresses Unity of Revolutionary Ranks

SK2605140995 Pyongyang MINJU CHOSON in Korean 3 May 95 p 2

[Article by Yu Sok-nim: "Our Revolutionary Ranks Have Been Consolidated as Firm as a Rock"]

[FBIS Translated Text] Today our revolutionary ranks are persistently advancing along the track of chuche in the complicated international situation.

Our revolution is vigorously moving forward under the sacred chuche banner by smashing, at every step, the various and desperate maneuvers of enemies who want to stifle socialism of our own style.

Such a proud and vigorous spirit of our revolution is the firm spirit of our chuche-oriented revolutionary ranks who are being consolidated more strongly with each passing day.

Today, therefore, our people have cherished deep in their hearts the greater pride of having the chuche-oriented revolutionary ranks, who have been consolidated rock-solid, and they are mindful of the proud reality of the revolution, which is advancing without deviation under difficult circumstances. Therefore, they cannot repress their boundless feeling of admiration for the dear leader Comrade Kim Chong-il, who has prepared the great ranks of invincibility.

For the popular masses to play their role as the main force of history, they should be firmly united around a center. This is the solid truth of the revolution. However, this is not a thing that can be realized by itself, even if everyone wants to achieve it.

The popular masses will become the strong chuche-oriented revolutionary ranks and display their boundless might only if they uphold the outstanding leader of the revolution, who unites the revolutionary ranks as one with his great ideology and leadership, as well as his lofty ethos.

By upholding the great leader Comrade Kim Chong-il at the vanguard of the revolution, our people have become the ranks of the wholehearted unity in which the leader [suryong], party, and masses are united by blood, as well as becoming the most dignified and proud people, who are vigorously moving forward the victory of the chuche revolutionary cause.

Since the first day he led our revolution, the great leader Comrade Kim Chong-il has made boundless efforts to strengthen our revolutionary ranks rock-solid as the ranks of the whole-hearted unity, regarding it as the most important work to strongly build the chuche revolutionary ranks.

It was 2 May 1975, 20 years ago.

That day, the great leader Comrade Kim Chong-il arranged a consultative meeting with functionaries and delivered a historic speech titled "On the strong building of the revolutionary ranks and the further improvement and strengthening of the party work in conformity with the demands of the present situation."

In the speech, the dear comrade leader scientifically analyzed the prevailing situation and clearly elucidated the tasks assigned to our revolution, teaching us about the strong building of our political and material forces, the improvement of the party work method and style, and the establishment of the revolutionary life ethos on the whole society.

In particular, in his speech the great leader Comrade Kim Chong-il has importantly stressed the strong building of our chuche-oriented forces.

The great leader Comrade Kim Chong-il has pointed out: "What is more important than anything else in building chuche-oriented revolutionary forces is strongly rallying all the masses behind the party and politically further consolidating our revolutionary ranks rock-solid."

At that time, our people were accelerating the revolutionary march at a higher stage under the slogan on modeling the entire society after the chuche idea, and the enemy's maneuvers against us were getting graver daily.

The environment of our revolution and the prevailing situation demanded more than ever that our chuche-oriented revolutionary forces be consolidated more strongly.

After scientifically understanding this demand for the revolutionary development, the dear comrade leader, who has far-sighted eyes and outstanding leadership, elucidated a need to politically further consolidate our revolutionary ranks rock-solid, and taught concrete ways to do so.

The dear comrade leader's historic speech that day was an immortal banner that is of great significance in strengthening our chuche-oriented revolutionary forces, crushing the enemy's maneuvers of all sorts, and endlessly advancing our revolution to a new high stage. It was also a programmatic guideline that our people must always strongly adhere to in their revolutionary struggle and construction.

After that, the great leader Comrade Kim Chong-il energetically led the struggle to implement the tasks presented in his work.

The dear comrade leader led officials to improve the work with the masses and more strongly rally them behind the party, personally went among the workers, peasants, intellectuals, and people from all other walks of life, extended his trust and love to them, and warmly encouraged them in their struggle and feats.

The dear comrade leader at times went into underground tunnels thousands of feet deep where the working class was working and took the lead in the work to carry out the three revolutions. He at other times walked along roads of paddies and gave our peasants strength and courage. He sat with intellectuals late at night and led them to show indistinguishable enthusiasm.

He did not discriminate against those who had led dismal lives due to their disreputable backgrounds or complex social and political lives, if only they followed the party; he extended his noble trust and love to them; and he took care of them. How heartwarming this is!

The great leader Comrade Kim Chong-il visited the Nagwon machinery complex one day in October 1984. He learned that there were some technicians and workers who could not enjoy the honor of becoming Workers Party of Korea members because their family backgrounds and social lives were complex, even though they contributed to making large oxygen separators. He asked that all of them be admitted into the party. He returned to the complex on his way home and repeatedly asked officials to boldly allow those who had undesirable backgrounds to be admitted into the party and give citations to them if they believed in and followed the party and devoted their strength and wisdom to the party and the leader. An old intellectual could not have the honor of posing for a picture with the great leader and the dear comrade leader due to his complex background. Upon learning of this in October 1985, the dear comrade leader regretted this and ensured that the intellectual pose for an honorable picture with the great leader and him. He also ensured that the media report on this episode and mention even the intellectual's name.

Under the rays of all-embracing politics, anyone living on this land calls our party Mother and entrusts his destiny to the party and devotes his single-heartedly loyalty to the party and the leader. This is the proud picture of our single-hearted unity.

Under the wise leadership of the dear comrade leader, our people's unity has been developed into the most solid and noble unity based on a political belief in and a moral obligation for the leader [suryong]. Our revolutionary ranks have been consolidated into invincible ranks in which the leader [suryong] and the people are in perfect harmony.

Last year, our people suffered the most painful loss for the first time in their 5,000-year history. Nevertheless, they revered the great leader Comrade Kim Chong-il, turned the sorrow into strength and courage a hundred- or thousand-fold, stood up resolutely and vigorously, and demonstrated the might of the great single-hearted unity of heroic Korea throughout the world. This clearly shows how rock-solid our chuche-oriented revolutionary ranks were consolidated.

Today, our people are united steel-like around the great leader Comrade Kim Chong-il and resolutely advancing for the ultimate victory of the chuche-oriented revolutionary cause cultivated by the fatherly leader. They are also demonstrating the might of our-own-style socialism throughout the world by upholding the dear comrade leader with loyalty, devotion, and single-mindedness.

Truly, the dear comrade leader unfolded, on this land, the picture of single-hearted unity in which the leader, the party, and the masses are single-heartedly united and, thus, strongly made our chuche-oriented revolutionary ranks invincible. These great achievements by the dear comrade leader are immortal achievements that will eternally be brilliant in the history of the struggle of the working class. Because there are these achievements, our revolution can advance vigorously along the single chuche-oriented road cultivated by the fatherly leader.

Our people will strongly uphold and eternally glorify these immortal achievements by the great leader Comrade Kim Chong-il and make our country and our fatherland more prosperous.

Masses' Responsibility, Role Described

SK2605062595 Pyongyang Korean Central Broadcasting Network in Korean 0943 GMT 25 May 95

[Unattributed talk: "The Popular Masses Fulfilling Their Responsibility and Playing the Role of the Master Is an Important Demand To Exalt the Superiority of the Socialist System"]

[FBIS Translated Text] The great leader Comrade Kim Il-song elucidated the ideology that one of the important demands to exalt the superiority of the socialist system is for the popular masses to perform responsibly and play the role of masters.

The great leader Comrade Kim Il-song has taught: The superiority of the socialist system is not exalted spontaneously. It can be highly exalted only when the popular masses perform responsibly and play the role of masters of the revolution and construction under the correct leadership of the party.

As taught by the great leader, leading the popular masses to perform responsibly and play the role of masters of the revolution and construction is one of the important demands for exalting the superiority of the socialist system. This is because if the popular masses perform responsibly and play the role of masters, they will strengthen the main force of the revolution and, thus, the singlehearted unity of the leader, the party, and the masses will be realized.

For the popular masses to form the main force of the revolution by singleheatedly uniting as one life around the party and the leader is not only the most important superiority of socialism, but is also a firm guarantee for its consolidation and development. The socialist system of our country is a most superior socialist system under which all the people have formed a social and political organism by firmly rallying around the great leader Comrade Kim Chong-il organizationally, ideologically, and with kinship ties under the party's leadership.

Today our people live with the ideology of singlehearted unity. They are advancing with the mettle of singlehearted unity and are advancing toward greater victory with the might of singlehearted unity. This is precisely the unique feature of our socialist system and the basic characteristics which prescribe its superiority.

It is imperative to constantly strengthen the main force of the revolution to consolidate and develop our socialist system under which the leader, the party, and the masses are firmly united as one mind and to highly exalt its superiority. Only when the leader, the party, and the masses are firmly rallied as a life can the main force of the revolution be formed. Therefore, apart from the popular masses' responsibility and role, we cannot think of the strengthening and development of the main force of the revolution and its might, nor can we speak of the problem of consolidating and developing the socialist system and of exalting its superiority.

Only when the popular masses enhance their responsibility and role as the masters of state and society can they decisively strengthen their position as the main force of the revolution, deepen the main force of the revolution as firm as a rock, and exalt the superiority of the socialist system.

It is also an important demand for the popular masses to perform responsibly and play the role of masters to exalt the superiority of the socialist system because it makes possible to bring an independent, creative, and collectivist socialist life into fuller bloom. Under the socialist system the popular masses live a happy life, enjoying a valuable political life, an affluent cultural life, and an equal and sound material life to their hearts' content.

Simultaneously enjoying a political life, a cultural life, and a material life which accord with the inherent character of social human beings is the most important superiority of socialism which cannot be even thought of under the capitalist society. In order for the popular masses to truly bring into full bloom their political life, cultural life, and material life in conformity with their inherent demand and socialist ideal, they should perform responsibly and play the role of masters of the state and society.

When the popular masses enhance their responsibility and play the role of the masters of the state and society, actively participate in state management and social and political activities, and actively participate in the political and organizational life, while viewing it as the demand of their routine life, they can smoothly achieve their social and political independence and lead a valuable life, while linking their individual life with the collectives' life.

At the same time, when the popular masses create and develop a socialist culture and arts and lead an abundant cultural and moral life by enhancing their responsibility and playing their role as the masters of state and society, they can achieve the inherent demands of human beings to constantly develop mentally and physically and can glorify a socialistic cultural life as creators and enjoy the culture.

Along with this, when the popular masses actively participate in economic management and highly display revolutionary zeal and creative initiative in production and construction by enhancing their responsibility and playing the role of masters of the economy, they can develop the economy independently. Thus, they can firmly build the material and technological foundation of socialism and constantly exalt their equal and sound material life of socialism.

For the popular masses to perform responsibly and play the role of the masters becomes an important demand to exalt the superiority of the socialist system because it also makes it possible to manage and operate socialism, relying on the principle of socialism and collectivist method.

Unlike the capitalist society in which everything is based on individualism, the socialist society — in which everything is based on collectivism — can be successfully built and its superiority and might can be fully exalted only by relying on the principle of socialism and the collectivist method. It is important for the popular masses to perform responsibly and play the role of the masters to highly exalt the inherent superiority of socialism, which relies on the principle of socialism and the collectivist method.

Only when the popular masses enhance their responsibility and play the role of the masters can they firmly adhere to the revolutionary principle without the slightest degree of faltering and trepidation, however vicious the imperialists' maneuvers against socialism may be. They can also manage and operate the socialist society in conformity with its inherent nature and exalt the inherent superiority of socialism by fully displaying collectivist wisdom and creative power.

All of this clearly proves that for the popular masses to perform responsibly and play the role of the masters is an indispensable demand to exalt the superiority of socialism and to strengthen its might.

Finding the basic key of vigorously advancing the struggle for socialism from the popular masses, our party has always paid deep attention to leading them to perform responsibly and play the role of the masters in the revolution and construction. As a result, the popular masses have been able to exalt the superiority of the unique socialism of our own style.

Article on Kim Il-song Nurture of Local Industry

SK2505040895 Pyongyang NODONG SINMUN in Korean 3 May 95 p 3

[Article by reporter Yi Kyong-hwa: "Fifteen Years of Proud Achievements in the Development of Local Industry"]

[FBIS Translated Text] Filled with high confidence and enthusiasm, our people meaningfully mark the 15th anniversary of the great leader Comrade Kim Il-song's immortal classic work "On Enhancing Officials' Sense of Responsibility and Role in the Local Industry" at a time when the entire country is vigorously accelerating the grand socialist onward march in hearty response to the party Central Committee's slogans released on the 50th anniversary of the party's founding.

On 3 May, 15 years ago, the great leader Comrade Kim Il-song arranged a meeting of responsible light industry officials and released the historic work there. In the historic work, the great leader Comrade Kim Il-song elucidated detailed tasks for strengthening political work among officials in the local industry, providing necessary resources by strongly building bases of resources without relying on the central industry, finding and mobilizing sources of raw materials in local areas to the utmost, and doing other things necessary for developing the local industry. He also presented ways to implement those tasks.

This historic work released by the great leader is a programmatic guideline that officials in the local industry must adhere to to further develop the local industry in compliance with the demands for the revolutionary development and, thus, bring about new turns in producing the people's consumer goods.

Our local industry has made great strides and reached a new high stage of development today, 15 years since the great leader presented the programmatic task on enhancing a sense of responsibility and the role of responsible officials in the local industry and, thus, has further developed the local industry.

Thousands of modern local industrial plants have been built across the country, thus locally providing goods necessary for people's lives. In addition, large portions of light industrial goods are being produced by local industry.

Today our local industry has been strengthened and developed into a powerful industry that is equipped with modern production processes and that produces various sorts of people's consumer goods by relying on local powerful bases of resources. As a result, local industry has become a significant source for further improving the people's lives. Local industrial plants produce more consumer goods with locally available resources than they did 15 years ago.

These proud achievements clearly prove the justness and great vitality of the plan to build a chuche-oriented local industry, which the great leader presented in his work.

The great leader Comrade Kim Il-song has taught:

"All officials and workers in local industry must produce people's consumer goods by mobilizing all local reserves, and thus positively contribute to making the people's lives more abundant, making the country powerful, and hastening the independent and peaceful reunification of the fatherland."

Profoundly realizing the importance of local industry in people's lives long ago, the great leader Comrade Kim Il-song elucidated both the direction of the development of this industry, and the ways to develop it, and exercised wise leadership to improve a sense of responsibility and the role of officials in local industry in compliance with the requirements of the endlessly developing reality and to make new turns in this industry.

The great leader visited numerous local industrial plants across the country, from Najin-Sonbong, which lies in the fatherland's northern extremity, and Kaesong, which is along the boundary, to Changsong, a remote mountain village. During his visits, he elucidated tasks arising in developing the local industry, such as producing more consumer goods by mobilizing the region's materials and resources, raising the quality of goods, and further improving plant management and operation methods. In addition, he set forth ways and means to implement the tasks.

The great leader Comrade Kim Chong-il, who is helping the fatherly leader's high intentions fully bloom into a proud reality, has accelerated the modernization of local industry in conformity with the demands of the developing reality and has taken epoch-making measures to solve all arising problems, including the problem of maintaining high and steady production in this sector in a revolutionary manner.

Under the wise leadership of the great leader and party, functionaries and workers in the local industrial sector have achieved great success over the last 15 years by vigorously carrying out the struggle to further increase production of the people's consumer goods in accordance with the ever-increasing demands of the people and by further strengthening the material and technical foundation of local industrial plants.

As the great leader expounded in his historic work, political work among the functionaries of the local industrial sector has been further beefed up, thus highly demonstrating their revolutionary zeal and creative activity more than ever. Great advances have been made in establishing a well-organized system of guidance over local industry and in further promoting guidance and management over it. In particular, the role and function of the Ministry of Local Industry as well as local industrial general bureaus in each province has been enhanced. Discussion meetings have taken place for exchanging experiences and lectures on exemplary units that have achieved success in developing the local industry by effectively using the region's natural and geological conditions and characters to the maximum, and the struggle to generalize their experience has been vigorously carried out across the country. While undergoing this process, the region's originality has been actively displayed and a new leap has been brought about in the development of local industry.

Upholding the tasks set forth by the great leader in his historic work, functionaries and working people in the local industrial sector have highly displayed the revolutionary spirit of self-reliance and fortitude and have vigorously carried out the struggle to increase production of the people's consumer goods by building their own raw material bases in large numbers and actively exploring and mobilizing the region's materials and resources.

The raw material bases have upheld the party's intention to effectively use mountains where there are mountains and use seas where there are seas, and on building raw material bases larger than 50 chongbo [one chong is equivalent to 2.45 acres] for each foodstuff plant and more than 200 chongbo for each county. In the struggle to build raw material bases in each county, city, and province — including South Pyongan, South Hamgyong, and Kangwon Provinces — the number of raw material bases increased many times compared to 15 years ago. The raw material bases are effecting upsurges in producing consumer goods with raw materials produced here.

In Maengsan County, which is widely known throughout the country as a model county in improving the standard of living of its people by properly managing it and developing local industry, forests of pine nut and chestnut trees have been built over a large area; bracken fields and broad bellflower fields have also been cultivated in many areas of the country. As a result, the county attains a large amount of raw material from these sources every year.

The struggle to comprehensively utilize mountains has been vigorously waged everywhere, such as in Sinyang and Yangdok Counties. As a result, all mountains throughout the country have been turned into the country's assets in improving the standard of living of the people.

In particular, the Kwangchon Disabled Veteran's Plastic Necessities Plant, the Kwangchon Foodstuffs Plant, Najin-Sonbong, Sinpo, and Tokchon, which are widely known as model units of self-reliance, are constantly increasing the rate of consumer goods production by their own local raw materials by building their own raw material bases with a view to the future and by actively finding and mobilizing the sources of locally available raw materials.

For the past 15 years, all provinces, cities, and counties have built more new local industry plants in conformity with their own specific situations and have rebuilt and expanded existing plants under the mighty support of central industry. They have also vigorously carried out the struggle to mechanize and automatize the production process on the foundation of advanced science and technology.

Numerous plants built in cities and counties — including foodstuff, textile, paper manufacturing, and household ironware production plants — have been rebuilt and expanded in conformity with the demands of developing reality; the level of their modernization has greatly increased. Children's foodstuff plants and corn processing plants have been newly built in the provinces, making it possible to produce various kinds of delicious and nutritious food.

More than 10 modern kimchi-making plants, including the Patriotic Vegetable Processing Plant and Tongdaewon Kimchi Plant, have been built in Pyongyang. In local industry, plants in many cities and counties — including the city of Anju and Changsong, Sakju, and Yontan Counties — have built more production buildings and facilities and the modernization of the production process has been accelerated, thereby making it possible to increase the production capability of these plants by nearly three times over the past.

With the acceleration of the modernization of production processes and production facilities, the quantity, variety, and quality of consumer goods have increased. As a result, even products produced in small production units, like the Whangju County Household Industry Production Cooperative, are of good quality and enjoy popularity among the people.

The proud success registered during the past 15 years is a result of the wise leadership of the fatherly leader and the great leader Comrade Kim Chong-il, who presented the policy on further promoting the people's living by developing local industry and who wisely led the struggle for its realization. The proud successes are also a result of the loyalty of local industry functionaries and workers to the party and leader [suryong] and to their revolutionary spirit of self-reliance and fortitude.

Recalling with dignity the proud road local industry has traversed under the wise leadership of party functionaries in the local industry sector, workers are filled with the burning determination to effectively utilize the existing production potential of local industry to the maximum, thus producing more people's consumer goods.

Taedonggang Water Power Station Increases Output

SK2605052795 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 25 May 95

[FBIS Translated Text] Electricity workers of the Taedonggang Hydroelectric General Power Station are achieving upsurges in production.

Upholding the party Central Committee's slogan on increasing power production to the maximum by operating all the power plants to full capacity, electricity workers of this station, who are operating generation facilities at full capacity, are attaining the highly-targeted daily plans without fail.

Especially, combat crews of the generation workshop are deeply aware of the importance of their missions and are overfulfilling daily target by more than 130 percent by responsibly carrying out maintenance and preventive repairs.

Developments in Artistic Fields Highlighted

SK2405152095 Pyongyang KCNA in English 1507 GMT 24 May 95

[FBIS Transcribed Text] Pyongyang, May 24 (KCNA) — It is 20 years since the great leader Comrade Kim Chong-il published the famous work "For the Further Development of Our Chuche Art" in May 1975.

The work deals in detail with the principles of developing chuche art and ways for their observance such as the matters of preserving national character in dance, diversifying themes of dance pieces, composing monumental famous songs of the Workers' Party era, revolutionary songs demanded by the present times in the field of music, and training a large number of talented artists.

A new advance has been made in the creation of art over last 20 years since the publication of the work.

The creators and artists in the field of dance art ushered in a great heyday of dance art by creating a large number of monumental masterpieces. Among them are the dance "Kimilsongia in Full Bloom All Over the World" representing the unbounded reverence of the people for the great leader President Kim Il-song and their intense loyalty to him, "Song of Happiness", a grand performance given by 5,000 artists which shows the happy life and indomitable revolutionary stamina of the Korean people on a large epical canvas, the dance suite "People Uphold the General in One Mind", the dances "Azalea of the Homeland" and "The Snow Falls" which are based on the anti-Japanese revolutionary traditions.

They also created reality-based dances "A New Morning of Kumgol", "Honor of Builders" and "Song of Bumper Harvest" vividly representing the heroic struggle of the working class and the realities of the socialist countryside and the folk dance suite "Song of Seasons" and other folk dance pieces, creditably ensuring the diversity and richness of dance art.

Notably, Korea was the first in the 500-year history of dance notation to create an alphabetic dance notation under the energetic guidance of Comrade Kim Chong-il, thus greatly contributing to the history of humankind. This has made it possible to develop chuche dance art on a new scientific basis.

The pochonbo electronic band and the wangjaesan light music band, a pride of chuche art which is adding lustre to the history of socialist renaissance, and music creators and artists composed many lyric and light famous songs of high ideological and artistic value including the song "No Motherland Without You" representing the indomitable will and revolutionary faith of the Korean people and songs "Our Country Is Best", "A Town Girl Gets Married to Country Boy", "Whistle" and "I Cannot Tell as Yet" which deal with the pride, self-confidence and optimistic life of the Korean nation.

An amazing progress has been made in all fields of chuche art including drama, circus and fine arts.

In the course of the rapid development of chuche art, art has been popularized, the literary and art level of the people markedly increased and a large number of talented creators and artists trained.

South Korea

U.S.-DPRK Nuclear Talks in Malaysia Reported

Talks Fail To Narrow Differences

SK2505115895 Seoul YONHAP in English
1154 GMT 25 May 95

[FBIS Transcribed Text] Kuala Lumpur, May 25 (YONHAP) — The United States and North Korea held the fourth-round talks of their semi-high-level meeting at the U.S. Embassy here Thursday but again failed to narrow their differences over the issue of light-water reactors.

A source said North Korea at the talks wanted to have a light-water reactor model produced by making some changes in an existing American model like CE-80 of Combustion Engineering.

The North Koreans, however, did not oppose outright the role of the Korean Peninsula Energy Development Organization (KEDO) perhaps in a strategy to use KEDO as a device to thwart South Korea's central role, the source said.

Saying Thursday's discussions were centered on the KEDO's function, the source said North Korea did not raise any objection as the U.S. delegation explained about the KEDO's role concretely.

The source added, however, it is premature to conclude that North Korea has fully accepted the KEDO.

"North Korea's negotiations strategy seems for them to weigh the price they would have to pay in the reactor project after they completely assessed the card producible by the United States," he said.

The source observed that the talks would continue into the next week.

U.S. Not Linking Heavy Oil, Reactors

SK2605015495 Seoul YONHAP in English
0136 GMT 26 May 95

[FBIS Transcribed Text] Washington, May 25 (YONHAP) — The U.S. Government reaffirmed Thursday that it does not link the continuation of heavy oil shipments to North Korea with the issue of the light-water nuclear reactors.

In a regular State Department briefing, spokesman Nicholas Burns said that the U.S. Government is willing to go ahead with the oil shipments to North Korea "as soon as we can work out a mechanism that will ensure no further diversions of oil in the future shipments."

The spokesman was reponding to questions regarding press reports Wednesday concerning nuclear ambassador Robert Gallucci's remarks in New York which indicated that he linked the resumption of oil shipments to North Korea to resolving the light-water reactor dispute.

"We have not linked the two issues. The North Korean Government has linked the two issues. Their position is that they (North Koreans) are not willing to have the talks about the mechanism to prevent future oil diversions until the issue of the light-water reactors is resolved," said Burns.

The spokesman asserted that "Ambassador Gallucci tried to explain the nuances of the North Korean position and what we hope is the clarity of the U.S. position. And what I repeated is the U.S. position, it's Ambassador Gallucci's position, it's Secretary Christopher's position and it's our position."

Burns maintained that Gallucci's remarks in New York were misunderstood by some press reports.

Referring to the U.S.-North Korean senior officials talks currently in session in Kuala Lumpur, Burns said "We've not reached any conclusions nor made significant progress, but we have come to understand each other's position better. This may be a basis for further progress in the days to come."

Burns continued that U.S. Deputy Assistant Secretary of State Thomas Hubbard continued to have in depth discussions on the light-water reactor project with the North Korean Vice Foreign Minister Kim Kye-kwan.

He explained that the discussions the last four days in Kuala Lumpur have focused on "how this very complex project can be carried out through the Korean Peninsula Energy Development Organization (KEDO)," adding that the United States has explained its view on how it sees the project being carried out, which includes the use of South Korean light-water reactors.

He said that the U.S. Government also explained during the meeting in Kuala Lumpur that the reactors the U.S. Government proposed to provide through the project are among the "most advanced reactors in the world."

DPRK Official Previews Talks

SK2605091595 Seoul MUNHWA ILBO in Korean 26 May 95 p 2

["Exclusive" interview with Yi Kang-chol, chief of the North Korean Foreign Ministry U.S. section, by Yi Pyong-chun in Kuala Lumpur on 25 May; first three paragraphs are MUNHWA ILBO introduction]

[FBIS Translated Text] For the first time, a North Korean delegate, namely Yi Kang-chol, chief of the North Korean Foreign Ministry's U.S. section, held an exclusive interview with a MUNHWA ILBO reporter immediately after the beginning of the Kuala Lumpur DPRK-U.S. talks on 25 May.

In the interview, which lasted about 30 minutes on the evening of 25 May, Yi Kang-chol revealed in detail the North Korean side's position in dealing with the DPRK-U.S. talks. Yi Kang-chol is practically in charge of U.S. policy within the North Korean Foreign Ministry. He participated in the Geneva talks in 1994. Pictures were not taken because of North Korea's situation.

Yi Kang-chol said: "These talks are not technical and working-level talks, but it must be a place to settle all problems politically." Thus, he hinted that the final negotiations are close at hand.

[Yi Pyong-chun] How are the talks going?

[Yi Kang-chol] There is no clear progress yet.

[Yi Pyong-chun] What is the problem?

[Yi Kang-chol] Overall basic issues of dispute, including the light-water reactor model, have not yet been resolved. Talks are expected to resume 26 May.

[Yi Pyong-chun] What are the stumbling blocks in detail?

[Yi Kang-chol] There are many points at issue. The content of the claims being made by both sides are not that simple. The fact that there are many gaps between talks signifies that there are many barriers. If the talks were going well, why would we not meet in earnest and frequently?

[Yi Pyong-chun] What are the prospects for settlement?

[Yi Kang-chol] What is important is the fact that its resolution will depend on how the U.S. side makes its political decisions. If the United States truly reaches a definite political decision, there will be prospects for settlement. We are closely observing this.

[Yi Pyong-chun] Will you continue to maintain the nuclear freeze?

[Yi Kang-chol] Clearly, the agreement between the DPRK and the United States stipulates that if we carry out the nuclear freeze, the United States will provide us with a light-water reactor. If this is not the case, there is no reason for us to carry out a nuclear freeze.

[Yi Pyong-chun] Will you accept the ROK-model light-water reactor if its design and name are changed?

[Yi Kang-chol] This is an issue that the United States itself must deal with. It is not an issue in which South Korea should interfere. The United States must handle what we can accept. It is all right if the United States presents something that we can accept politically.

[Yi Pyong-chun] Since the ROK is paying the money, isn't it a matter in which the United States cannot do as it pleases?

[Yi Kang-chol] Even the U.S. leader guaranteed this matter. This matter is becoming more complicated. This matter should be resolved and dealt with by the U.S.

side. Currently, the Geneva agreement is not being implemented. Our position is that if it is given to us, we will receive it, and if it is not given to us, we can return to our original position.

[Yi Pyong-chun] Do you recognize the existence of the Korean Peninsula Energy Development Organization [KEDO]?

[Yi Kang-chol] It will be all right if the United States provides us with the light-water reactor through a method that we can accept. It does not matter whether KEDO or someone else does it. The only matter is providing us with the light-water reactor.

[Yi Pyong-chun] Did you confirm the U.S. side's intention as revealed in the arrival statement?

[Yi Kang-chol] It is doubtful whether the United States will truly provide us with a light-water reactor. It is possible to settle these talks politically. If talks are to be continued technically and practically, they will continue to go in circles. Such was the case during the Berlin talks. There were conflicts, and ultimately were the talks not broken off? If the Kuala Lumpur talks are continued as such, it will be the same as meeting Chairman Kim Chong-u in Berlin again. The talks must be settled politically. If it is carried out like Berlin, this matter will not be settled even after 100 years.

[Yi Pyong-chun] Which light-water reactor will you accept?

[Yi Kang-chol] We will accept the light-water reactor that is safe, that removes our worries, and that dissolves political worries. We do not consider the source of the light-water reactor. That is a U.S. problem. The Geneva agreement was not a three-country agreement.

[Yi Pyong-chun] Would it be possible to pass the issue to high-level talks between Vice Foreign Minister Kang Sok-chu and nuclear ambassador Gallucci?

[Yi Kang-chol] It is not yet time to talk about it.

[Yi Pyong-chun] Ultimately, how do you view the results of the talks?

[Yi Kang-chol] I would like to be optimistic, but there is no basis for it. It would be good if the United States makes a political decision; then this issue can be resolved without difficulties. If the United States does not make a great political decision worthy of a great country with a big heart, then the issue cannot be resolved.

Government To Seek Amendments to SOFA Agreement

SK2605025195 Seoul YONHAP in English
0243 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — The government, facing a series of crimes committed by off-duty U.S. soldiers recently, decided Friday to seek amendments to the Status of Forces Agreement (SOFA) with the United States.

The decision was made at a high-level meeting presided over by Prime Minister Yi Hong-ku at his official residence Friday morning.

The government will study controversial SOFA provisions, with an intent to rectify the problematic handling of crimes committed by off-duty American servicemen in the country, Premier Yi's spokesman Kang Hyong-sok said.

The government will also discuss the development of Korea-U.S. security cooperation through fair and effective implementation of the SOFA accord, he added.

For this purpose, police officers dealing with American soldiers' committing off-duty crimes will be specially trained in the application of SOFA provisions when handling such crimes.

The government is cooperating closely with the U.S. Forces in Korea, which are investigating the recent cases involving U.S. soldiers, to mete out punishment to those found guilty according to law.

To prevent further crimes by off-duty U.S. soldiers from being committed, joint Korea-U.S. police patrols will be strengthened in towns where U.S. military bases are located, while cooperation between mayors of such towns and U.S. base commanders will be increased, Kang said.

'Inequality' Seen in SOFA Agreement

SK2605094595 Seoul YONHAP in English
0920 GMT 26 May 95

[Article by Hwang Tu-hyong: "SOFA Seriously Challenged Four Years After its 1991 Revisions"]

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — Just four years after undergoing a major revision in 1991, the Status of Forces Agreement (SOFA) governing the legal status of American forces stationed in the country is being seriously challenged these days as local law enforcement authorities are unable to effectively tackle a series of crimes committed by American soldiers against Korean nationals.

The SOFA agreement is commonly referred to as a typical unequal treaty as many lawyers criticize it contains a number of clauses which encroach upon the national sovereignty of the country by severely restricting the host country's jurisdiction over criminal offenses committed by American soldiers within its territory.

Critics say SOFA has granted so many privileges to American soldiers stationed in the country that it could even be called an agreement for occupation forces rather than allied forces.

To bring light to the inequality of SOFA, they often compare it with similar agreements signed between the United States and Japan and the North Atlantic Treaty Organization (NATO) for American forces stationed in Japan and Germany respectively.

For one thing, South Korean law enforcement authorities are, under SOFA, unable to detain American soldiers for interrogation.

SOFA requires the Korean authorities must deliver any American soldiers they are holding in custody to the U.S. Forces Korea (USFK) if the USKF requests they be handed over.

Korean authorities may then request that USFK provide the American soldiers under suspicion to Korean law enforcement authorities for interrogation.

However, American suspects are allowed to remain on the U.S. military installation while the investigation and trial is underway.

Korean authorities can take suspects into custody only after they are convicted by a court.

Japanese and German authorities, however, have the right to detain American soldiers without arrest warrants when they have probable cause.

Unlike in Japan and Germany where local prosecutors have the right to appeal to a higher court against American soldiers, SOFA prevents Korean prosecutors from appealing to a higher court against American soldiers unless American soldiers file with an appellate court.

Another clause in the SOFA agreement stipulates that Korean authorities do not have jurisdiction over crimes by American soldiers on duty and that a certificate issued by an American general is the only proof necessary to show that the suspect was on duty.

However, in Japan the controversial issue of whether a soldier is on duty or not is determined by a court.

SOFA also stipulates that American soldiers should be attended to by an American official during interrogations performed by Korean authorities and that any statement made to the Korean authorities without the presence of American official cannot be used in court.

In Japan and Germany, any statement made to local law enforcement authorities by American soldiers can be used as a legal proof in court.

Another example of SOFA's encroachment upon Korean sovereignty is a clause holding Korean authorities from apprehending American soldiers after they took refuge at an American military base.

In contrast, Japanese authorities can take civilian employees at American military base and dependents of American soldiers, into custody even if they took refuge on American military premises.

Under SOFA, South Korean authorities are supposed to relinquish their jurisdiction over crimes involving American soldiers unless they are severe.

Under the agreements signed between the United States and Japan and Germany, Japanese and German authorities are expected to consider favorably such requests if they are made by the American forces, but it is left to their discretion.

Japanese and German authorities reportedly exercise jurisdiction over approximately 40 percent of the total criminal offenses made by American soldiers while the comparable number for South Korea is less than 2 percent.

While SOFA affects American soldiers in the country, their dependents, parents and relatives, the comparable agreement in Japan affects the soldiers, their dependents and parents and in Germany it governs only the soldiers and their dependents.

Aside from issues concerning criminal procedures, SOFA also needs to have relevant clauses for the protection of the environment in and around American military facilities in the country, according to Kim Uk, director of the Foreign Ministry's North American Division II who is in charge of the SOFA agreement at the ministry.

He said that he will raise the issue during a biannual joint meeting on environmental contamination of military facilities used by USFK slated for late June.

"The level of environmental contamination is especially serious in the Osan air base," he said. "We have already installed sewage treatment facilities in the base but the American side wants us to pay the expenses necessary for the repair of the facilities."

"They still refuse to install adequate sewage treatment facilities in the base," Kim said. Who added that a survey in 1993 of American military facilities returned to the country revealed that those facilities were severely polluted.

Expressing concern that the USFK refused to accept a recent decision by a local court that the USFK should be subjected to local laws in labor disputes concerning civilians working with the USFK, Kim also said that the current SOFA clauses banning employees at the USFK from taking collective actions should be revised to allow such actions.

Expressing displeasure with the clauses of SOFA especially on criminal offenses, Kim Uk says, "Under SOFA, we have to hand over American soldiers to the USFK if the USFK requests we hand them over, although we have already arrested them for alleged violations of laws.

"The USFK originally has made such requests apparently out of distrust with South Korea's human rights situation, especially in the detention centers, and poor facilities in jails," he said.

"But the situation has so much changed from 1991 that people expect the government to exercise a much higher-level of jurisdiction over crimes by American soldiers," says Yim Song-chun, director general of the ministry's American Affairs Bureau.

Yim, who concurrently heads the SOFA joint committee on the Korean side, also said, "It seems to be an opportune time for the government to proceed with a revision to the SOFA agreement."

The Ministry of Foreign Affairs will raise the issue with the U.S. Government as soon as the ministry finishes discussions with the Ministries of Defense and Justice and other relevant government agencies on the issue, Yim said.

Safety of U.S. Imported Produce Questioned

SK2605040995 Seoul TONG-A ILBO in Korean 26 May 95 p 1

[FBIS Translated Text] The safety factor of U.S. imported produce is seriously being raised with the revelation that the U.S. has the practice of spraying enormous amounts of agricultural chemicals on the wheat, apples, and oranges it exports.

The Citizen's Association for the Research of Consumer Problems on 25 May released a videotape showing how chemicals are sprayed in the United States, and criticized, "The United States does not spray chemicals on the farm produce it consumes locally, but sprays up to 100 times the permissible level of chemicals on its export produce." A videotape showing this was made available to the citizen's association as the Japanese consumer organization, "The Fund for the Offspring," made its way into the United States and secretly took pictures of the spraying of agricultural chemicals. The videotape shows U.S. farmers spraying massive amounts of chemicals on the farm produce they export following the harvest using large-scale spraying machines.

In 1993, the U.S. wheat imported into the ROK was found to contain 132 times more agricultural chemicals than the permissible quantity, thereby causing controversy, and the first shipment of oranges of U.S. origin imported this year was found to contain 18 kinds of insecticides, including methytathion [as transliterated], thus threatening the people's health.

A citizens' association official remarked: "The United States, being very particular about importing farm produce from other countries, forces other countries to open their markets to its exports mobilizing all the tactics it can employ, thus showing its double-dealing character."

1995 Total, U.S. Trade Figures Reported

SK2605061595 Seoul YONHAP in English 0602 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — South Korea's trade deficit is expected to reach 12 billion U.S. dollars this year, 2.5 billion dollars more than originally expected earlier this year, the Korea Trade Promotion Corporation (KOTRA) said Friday.

KOTRA predicted that South Korea's exports are likely to increase by 14 to 16 percent from last year to reach 110 to 111 billion dollars this year owing to the strengthening of the Japanese yen and robust exports of heavy and chemical industry goods.

Imports are also estimated to soar 17 to 18 percent from last year's total of 120 billion to 122 billion U.S. dollars this year due in part to brisk domestic business and increased facilities investment by businesses here.

Earlier this year, exports had been expected to increase 9.6 percent to 105.5 billion dollars while imports were expected to rise 12.4 percent to 115 billion dollars.

Trade with the United States may also increase more than it was expected at the beginning of this year, according to KOTRA.

South Korea's exports to the United States will rise by 7 percent from 1994 to 22 billion dollars in 1995, while imports to the United States are likely to soar 13 percent to 24.4 billion dollars, KOTRA said.

Therefore, the trade deficit with the United States may reach about 2.4 billion U.S. dollars this year, according to KOTRA.

The increased trade deficit with the United States will result from the soaring of imports rather than from dull exports, KOTRA prospected.

KOTRA also pointed out that imports of the items affected by further opening of domestic markets such as agricultural goods, automobiles, machinery and telecommunications equipment are rapidly increasing.

In addition, the strengthening of the Japanese yen has made South Korean traders reduce their imports from Japan, substituting them with imports from the United States.

Joint Motorola-SEC Venture To Produce PDA's

SK2505235295 Seoul THE KOREA HERALD in English 26 May 95 p 8

[FBIS Transcribed Text] Samsung Electronics Co. (SEC) has teamed up with Motorola of the United States to jointly develop personal digital assistants (PDAs), a next-generation portable terminal device.

SEC and Motorola announced in Seoul and the United States simultaneously the formation of a "strategic alliance between the two companies."

Under the agreement, which will involve no royalty payments, Motorola will supply its Dragon Ball microprocessor for PDAs and support development of finished products.

Samsung will be involved in the Dragon Ball chip specification, the developing of the overall system, the operating system and the application software. SEC will also be responsible for production and sales of the new PDA, a SEC spokesman said.

By using the Motorola Dragon Ball microprocessor, Samsung will be able to make a finished PDA product that is 45 percent smaller in size and is 44 percent lighter than Apple's Newton, he said. The new PDA product will be 147mm x 96mm x 19.2mm and weighs only 245 grams to fit in a pocket, according to the spokesman.

Low-power consuming liquid crystal display (LCD) and an IC card controller will be built into the microprocessor to double the operating period of PDAs, he said.

Power management technology will also minimize power consumption so that the product can be operated for up to 31 straight hours before the batteries are completely exhausted, the spokesman said.

The new product will have such features as a pen-based character recognition function and a personal information management software for such information as telephone numbers, schedules and memos. The multitasking function will allow it to carry out several processes simultaneously, based on a real-time operating system, said the spokesman, adding that there will be also a built-in wide area pager and a high-speed data-fax modem.

Official Discusses Providing Rice to DPRK

SK2605103895 Seoul YONHAP in English 1028 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — Any provision of rice by the South Korean Government to North Korea should be preceded by Pyongyang's formal request, a Seoul government official said Friday.

The official of the National Unification Board was commenting on a report from Tokyo that a senior North Korean official now on a tour of Japan hinted at the North's willingness to accept rice from South Korea.

"If the Japanese Government formally volunteers to act as a go- between in the rice issue, then our government will disclose its posture," he said.

The official said that at the moment the government cannot show a clearcut response over the matter since the alleged remarks were a mere statement made by a visiting North Korean official in a meeting with some Japanese dietmen.

The official said a private South Korean organization can provide foods to North Korea only when there is the guarantee that the foods to be given are to be distributed to North Korean citizens.

As for government-level provision of rice, there should first be a formal request from the North, he said, adding that President Kim Yong-sam has expressed the willingness to furnish rice to North Korea on a soft-term credit basis if North Korea accepts it.

The press report from Tokyo said Yi Song-nok, chairman of the North's Trade Promotion Committee, conceded in Tokyo the short supply of rice in the North during his talks with Japanese ruling party dietmen, asking for the provision of Japan's surplus rice.

During the meeting, the report said, Yi implied that the North would accept rice even from South Korea.

He reportedly stressed that his request for rice was approved by high-level North Korean officials like Workers Party Secretary Kim Yong-sun and Premier Kang Song-san.

N-S Exchanges To Be 'Persistently' Promoted

SK2605071595 Seoul YONHAP in English 0652 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — Deputy Prime Minister Na Ung-pae declared Friday that the government will persistently promote economic, social, cultural and religious exchanges with North Korea to facilitate reconciliation and cooperation between the two Koreas.

In a lecture delivered to a meeting held at the Tower Hotel in central Seoul, under the auspices of the Pan-Religious Council for the Promotion of Inter-Korean Exchanges, Na, concurrently unification minister, said, "To help enter the stage of reconciliation and cooperation between the South and North, the government will persistently promote exchanges in the fields of economy, society, culture and religion."

Although an inter-Korean dialogue has yet to be resumed and tensions involving the nuclear issue remain unabated, the administration is permitting visits to North Korea by businessmen and religious leaders, purely for business and religious purposes "in order to pave the way for exchanges by private citizens," Na said.

Referring to the attempts made by religious groups' to hold joint rallies with their North Korean counterparts at the truce village of Panmunjom, commemorating the 50th anniversary of the nation's liberation from Japanese colonial rule falling on August 15, the nation's top unification policy-maker said, "As a site for big rallies, Panmunjom is inadequate as its atmosphere is so tense and as it is placed under the control of the United Nations Command. It would be better to hold rallies either in Seoul or Pyongyang or famous temples in the North or South."

Touching on the situation in Pyongyang, Na said, "The situation is very difficult. For example, power transmission has yet to take place though nearly a year has elapsed since the death of Kim Il-song... The recent cultural and sports festival in Pyongyang appears to have been held with a view to creating an atmosphere conducive to the launching of Kim Chong-il reign. But the results are still unclear."

However, the deputy prime minister anticipated that some changes will take place in the North during the latter half of the year. "It is hoped that the North Korean regime will come to accept an offer to resume a dialogue as soon as possible," he added.

"North Korea firmly rejects South Korean light-water reactors for fear that their acceptance might lead to the collapse of the regime," the unification minister also said. "But we will never unify the country by means of absorbing the North. The North Koreans should understand that we want to see the North Korean regime remain intact and merely change into a democratic society."

Amnesty International on DPRK Political Prisoners

SK2605041695 Seoul CHUNGANG ILBO in Korean 26 May 95 p 2

[AFP/YONHAP report from Seoul]

[FBIS Translated Text] On 25 May, Amnesty International revealed that its delegation visited North Korea in early May and attempted to seek two prisoners of conscience, including one who holds Japanese nationality. However, the delegation was told only that they died with their relatives within weeks after their release.

Amnesty International, which is based in London, revealed in its statement released in Seoul that the North Korean authorities admitted to imprisoning some 240 people who have committed anti-state acts at a special concentration camp in Pyongyang.

In its 1993 report, Amnesty International revealed that tens of thousands of dissidents are believed to have been detained across North Korea. However, North Korea reportedly revealed to the delegation that approximately 800 to 1,000 people, including 240 who have committed anti-state acts, are presently imprisoned at three concentration camps.

*N-S Linguistic Differences Cause Trade Problems

95P30099

[Editorial Report] The 4 April Seoul CHUNGANG ILBO in Korean on page 27 reported that with the start of direct trade between the two Koreas, ROK firms face many problems caused by linguistic differences.

In the past, three-way trade was practiced and the language used in documents was English. However, Korean is used in direct trade. Not only does North Korea interpret certain terms differently than the South, it has created many terms indigenous to the North. According to the paper, in January this year, the ROK's CPICO International Trading Company, which shipped 22 metric tons of barbed wire for fencing the Najin-Sonbong Free Economic and Trade Zone, narrowly escaped the North's "rejection" of the shipment. Although CPICO ordered barbed wire according to the document-specified "international standard of quality and size," North Korea tried to reject the shipment, saying that it did not meet their "Tungguri and Kinjang Pogang-jae" requirement. According to CHUNGANG ILBO, not knowing the meaning of these words, CPICO assumed the North Koreans meant "international standard," and simply followed the international standard. It turned out that North Korea had wanted international standard quality and size plus additional requirements.

"Tungguri" means a roll of concertina wire 50 meters in length, somewhat longer than the standard length. "Kinjang Pogangjae" means "tension enforcer," and it requires an additional 6mm wire on the top. Fortunately, a Korean-Chinese group helped prevent North Korea from rejecting the shipment. According to CHUNGANG ILBO, this sort of confusion is not limited to the South, the North has also experienced it. In 1993, North Korea's Kwangmyongsong General Trading Company was to ship a type of tree root needed for oriental herbal medicine to Taeha Drug Company in the South, but the North sent a different root because it misunderstood the name of the tree. However, because the shipment was from North Korea, ROK customs allowed it to enter. Another example: royal jelly, a popular item from the North, frequently has problems with ROK customs because the North persists in calling the product "queen bee milk" rather than royal jelly.

CHUNGANG ILBO urged the government to study North-South linguistic differences and try to find and use terms acceptable to both sides.

PRC To Nix Jiang Visit if Taiwan Leader Visits

SK2605021895 Seoul HANGUK ILBO in Korean 26 May 95 p 1

[FBIS Translated Text] It was learned on 25 May that the PRC informed the ROK of its hard-line stance that if the ROK Government allows Taiwanese President Li Teng-hui's visit to the ROK, Beijing will cancel President Jiang Zemin's visit to the ROK slated for November.

Taiwan had expressed the hope that President Li may be allowed to visit the ROK to attend the meeting of party leaders of the International Democratic Union presided over by the Democratic Liberal Party [DLP] that will be held in Seoul beginning 1 September. However, the ROK Government and the DLP have reportedly disapproved, taking into account the PRC's opposition.

Ruling Party Opposes Visit by Taiwan President

SK2605072895 Seoul YONHAP in English 0656 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — Rep. Yi Sung-yun, the chief policy-maker of the ruling Democratic Liberal Party (DLP), voiced his objection Friday to Taiwanese President Li Teng-hui's planned visit to Seoul, saying "His visit to South Korea is not desirable in view of the present situations on the Korean peninsula as well as of the country's political circumstances."

Rep. Yi made the remarks in connection with the controversial issue involving Taiwanese president's attending Seoul's September conference for the International Democrat Union (IDU) in Li Teng-hui's capacity as Taiwan's Nationalist Party head.

"The DLP is only providing the place for the IDU conference and the task of inviting political leaders is the responsibility of the IDU secretariat," said Yi, who is also vice chairman of the preparatory committee for the IDU's Seoul conference.

Yi is the first DLP key post holder to make an official stance regarding the Taiwanese president's trip to South Korea.

He disclosed that his party has been informed by China's Ambassador to Seoul Zhang Tingyan that South Korea could cause a rift in China-South Korea relations by allowing Taiwan's president to visit Seoul and perhaps even affect Chinese President Jiang Zemin's scheduled visit to Seoul which is slated for November.

UN Official Hears Testimony From Comfort Women

SK2605003795 Seoul YONHAP in English 0021 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — Linda Chavez, special rapporteur for the UN Sub-Commission on the Prevention of Discrimination and Protection of Minorities, Thursday heard the testimonies of several Korean "comfort women" at their "sharing house" near Hyehwa-tong.

Earlier Thursday morning, Chavez also met with the heads of several women's organizations dealing with the comfort women issue, at the Korea Ecumenical Building in Chongno, Seoul.

There, the president of the Korean Social Research Center for Women and the Korean Council for the Women Drafted for Sexual Slavery by Japan, Prof. Yi Hyo-chae, gave a brief history of the activists' history and progress.

Despite the fact that the movement started in 1992, Yi explained, it was not until President Kim Young-sam came to power that the women's organizations were taken seriously. In 1993, the Ministry of Health and Social Affairs decided to provide the women with housing and medical care.

The "sharing house" that Chavez visited was one such example of the government's move to assist the comfort women.

At the house, several women gave their personal histories about how they were deceived into working as sexual slaves by the Japanese military. Some women wept openly, while others revealed their scars, burns and broken bones inflicted during their detention.

One grandmother revealed that she experiences nightmares every single night, evidence of the horrors that she endured during the Pacific War.

"The Japanese Government has not acknowledged their crimes yet, they even called us 'certified prostitutes,'" Yi Yong-su, a former comfort woman, claimed. "We don't want their sympathy money. We want justice and we want to restore our human dignity."

The Japanese Government announced in April that they were planning to launch a private fund, the "Asia, Peace and Friendship Fund for Women," to pay for counseling and assist some women who have children fathered by Japanese soldiers.

But the former comfort women denounce this move, claiming that they are not "beggars." In a statement from the Third Asian Women's Forum on Military Sexual Slavery by Japan held in Seoul in March, the women declared, "We resolve that the recent idea of a 'private charity fund' is a deceitful and immoral suggestion, which denies the Japanese Government of their crime of military sexual slavery and avoids their legal responsibility."

The women at the sharing house also pleaded with Chavez to use her position to deny the Japanese a permanent seat in the UN Security Council.

Chavez replied, "I wish I could, but it's not my decision."

During World War II, the Korean women were not only sexual slaves in Korea, but were taken to Japan, China, Burma, Indonesia, the Philippines, Singapore, Taiwan, Vietnam and several of the Pacific islands. Women from these countries were also used as slaves, as well as Dutch women, who were taken from Indonesia.

As many as 200,000 women and girls were forced to serve for the Japanese. Many of them died working in the comfort stations for the Imperial Army.

Chavez is on a three-day fact-finding visit in Korea to gather information for a working paper that she will submit to Geneva early next month. She visited Wednesday with UNDP [United Nations Development Program] officers, the Foreign Ministry and the Ministry of Health and Social Affairs.

On Friday she will meet with several lawmakers and the Federation of Korean Trade Unions [FKTU]. The FKTU has submitted a formal representation to the International Labour Office [ILO] in Geneva to inform them of the gross violations by the Japanese of the convention concerning forced labor, an act under the ILO.

Before her visit to Seoul, Chavez toured the Philippines for two days, meeting with comfort women groups and government officials. On Saturday, the United Nations rapporteur will depart Seoul for a three-day visit to Tokyo, where she will discuss this case with Japanese Government officials and will also confer with women's organizations there.

Notes DPRK Invitation; Departs

SK2605101695 Seoul YONHAP in English 0956 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — Linda Chavez, appointed by the UN Subcommission on Prevention of Discrimination and Protection of Minorities to conduct a three-country, fact-finding mission concerning the "comfort women," Friday concluded the Seoul leg of her visit.

At a press conference held at the Federation of Korean Trade Union building in Yoido, Chavez detailed the reasons for her trip, as she was assigned to present a working paper on the comfort women issue to the 47th session of the UN subcommission, to be held in August in Geneva.

The paper will discuss the systematic rape, sexual slavery and slavery-like practices of the Japanese Imperial Army during World War II, and bring to light the fact that these activities were a grave violation of international human rights and international forced labor laws.

"The purpose of the working paper," Chavez explained, "is to be preparation for an actual in-depth study in the future."

The United Nations will assign a special rapporteur to prepare the second study. Chavez "hopes and expects" that the subcommittee will appoint her, as she was previously recommended by the subcommittee in 1993 to the post.

"My paper is limited in its scope," Chavez said. "It will only deal in a cursory fashion. The final report," she added, "which will take two years, will go into greater depth."

Chavez is on a 10-day visit to the Phillipines, Korea and Japan to meet with government officials, NGO [nongovernmental orgranization] workers and survivors of the military sexual slavery. She met with Korean comfort women Thursday to hear their personal testimonies, who pleaded with her to bring justice to this issue.

"My only fear is that they place too much confidence (in me)," she expressed. "The most I can do is report on the issue in a fair manner."

But she revealed a personal promise to the "grandmothers" that she made. "Many of the women have kept silent for almost 50 years," she remarked. "Now they have come out and they are very eager to have their stories told. Not in my capacity as an expert, but personally as a journalist, I will help them tell their story so people can learn about the tragedy."

Over 200,000 women, mostly Korean, were forced to work at "comfort stations," which were military brothels for the Japanese soldiers.

Chavez also met with government officials in Seoul on Wednesday, but declined to give details.

"Because of the sensitive nature of the subject," the UN expert stated, "and in order not to prejudice the outcome of my work, I will not be making any specific comments regarding my meetings here."

She revealed that the North Korean Government has contacted her and asked her to visit, but Chavez declined on a personal level, claiming that as a high-level American official she felt it would be a "difficult" situation.

But she added that she has been in touch with North Korean Government officials and organizations in Geneva.

Chavez will depart Saturday morning for Tokyo for a three-day visit there with former Army officers, government officials, comfort women groups and NGOs.

Cooperation With Japanese Machinery Makers

SK2605000795 Seoul THE KOREA HERALD in English 26 May 95 p 8

[FBIS Transcribed Text] Machinery makers from South Korea and Japan have begun to seek concrete ways of promoting bilateral cooperation as the Japanese yen maintains its strong value in international financial markets.

The Korea Association of Machinery Industry (KOAMI) and the Japan-Korea Economic Association yesterday held their joint meetings at Hotel Shilla in Cheju Island to stage actual business negotiations between machinery producers of the two countries, a KOAMI spokesman said.

At the joint meetings lasting through today, Korean machinery manufacturers are making business contacts with their Japanese counterparts to encourage them to transfer advanced technology and relocate their production bases to South Korea, the spokesman said.

As a means of rectifying Korea's trade imbalance with Japan, now in favor of the latter, Korean machinery makers are also seeking Japanese business partners to expand the purchase of Korean-made machinery and parts.

In the meantime, Japanese machinery makers, which have been losing its price competitiveness in international markets mainly owing to the high yen, are pushing ahead with the establishment of their overseas production bases in South Korea.

Kyong Chu-hyon, vice chairman of Samsung Heavy Industries Co., headed a 40-member Korea delegation at the joint meetings, whereas Hirotsu Hideo, vice president of Mitsubishi Heavy Industries Ltd., led a 20-member Japanese delegation.

The joint meetings will provide both Korean and Japanese machinery makers with good opportunities to make the best use of the strong yen through active business consultations, the spokesman said.

In a related development, the KOAMI has decided to dispatch a large-scale Korean business delegation comprising senior executives from the machinery manufacturers industry to Japan in July or August to prompt Japanese enterprises' direct investment in South Korea.

At the same time, the KOAMI will hold an exhibition of Korean-made machinery and parts in Tokyo in November, as a means of exporting more Korean products to the neighboring country, said the spokesman.

Korea's exports of more machinery and parts to Japan is the only way for the nation to reduce its trade deficit with Japan, which stood at $11.9 billion in 1994, the spokesman said.

The KOAMI's strenuous efforts to promote bilateral cooperation with Japanese machinery makers are timed with the package of measures recently announced by the Ministry of Trade, Industry and Energy (MOTIE) to actively foster the domestic capital goods industry.

Under the measures, the Seoul government aims at achieving a compensation in the nation's trade balance with Japan by 2005 and increasing the portion of capital goods from 49.8 percent of the total exports in 1994 to about 60 percent in the 21st Century.

Korean-Russian Cultural Association Founded

SK2505122295 Seoul YONHAP in English 1157 GMT 25 May 95

[FBIS Transcribed Text] Seoul, May 25 (YONHAP) — The South Korea-Russia Cultural Association was founded in an inaugural meeting held at the Lotte Hotel Crystal Ballroom Thursday evening.

O Kyong-ui, president of the Korea Horse Affairs Association [name of association as received], was selected as its president.

An inaugural reception was attended by about 230 Korean and Russian officials. Among the Korean guests were National Assembly Speaker Hwang Nak-chu, Foreign Minister Kong No-myong and Culture and Sports Minister Chu Ton-sik.

The new association is located on the eighth floor of Cinehouse in southern Seoul.

Canadian Official Views Finance Industry Issues

SK2605034095 Seoul YONHAP in English 0227 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — With the move towards deregulation and globalization in the financial industry, Korea can learn from Canada's experience with economic changes, Jon Gerrard, the Canadian secretary of state for industry, said Friday.

Gerrard delivered the opening remarks for the Korea-Canada Forum on Financial Industry Globalization, a one-day conference held at the Shilla Hotel and organized to provide its Korean and Canadian participants with an opportunity to cooperate in the financial training and technology fields.

Deputy governor at the Bank of Korea, Yu Si-yol, also delivered a speech on the history of Korea's financial liberalization and discussed the responsibilities of the Bank of Korea in the face of these market changes.

Both Yu and Gerrard affirmed that a leading issue in financial globalization is the competition that arises in domestic financial markets.

The forum, jointly hosted by the Canadian Embassy in Seoul, the Niagara Institute of the Conference Board of Canada, and the Management Development Institute (MDI) of Korea, will raise such financial issues as profitability, managerial efficiency, human resource training and information technology.

The bilateral forum was sponsored by the Korea Exchange Bank and Asia-Pacific Infoserv. Over 60 participants from mostly banking, insurance and securities firms took part in the conference.

Tunisian Authorities Release Tuna Boat

SK2605094295 Seoul YONHAP in English 0847 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — A Korean tuna fishing boat was released by Tunisian authorities Wednesday, 20 days after being captured by the Tunisian authorities on May 4 for alleged violations of Tunisian exclusive economic waters, a Foreign Ministry spokesman said Friday.

Lapaz No.103 had 25 fishermen, including nine Koreans, aboard when it was seized, the spokesman said.

Bangladesh Premier Begins Official Visit

Visit To Focus on Economic Ties

BK2505164395 Dhaka Radio Bangladesh Network in Bengali 1500 GMT 25 May 95

[FBIS Translated Text] Prime Minister Khaleda Zia arrived in Seoul this afternoon on a three-day official visit to South Korea. The prime minister's visit is intended to strengthen economic relations between the two Asian countries. Begum Zia is visiting the country at the invitation of South Korean President Kim Yong-sam.

The prime minister was accorded a red carpet reception when she arrived at the Seoul airport. A smart contingent of the South Korean Armed Forces presented her with an honor guard while the national anthems of Bangladesh and South Korea were played. A 19-gun salute was presented on the occasion of the Bangladesh prime minister's arrival. After completing the airport formalities, the Bangladesh prime minister was taken in a motorcade to the Hyatt Regency Hotel, located about 20 km from the airport. Different streets in Seoul have been decorated with the flags of the two countries to welcome the Bangladesh prime minister.

A summit meeting between the Bangladesh prime minister and the South Korean president will be held tomorrow morning following informal talks between them. It is expected that during the official talks the two South Asian [as heard] leaders will discuss, among other issues, strengthening trade ties; expanding development assistance for Bangladesh; taking special measures to increase South Korean imports from Bangladesh; and strengthening bilateral cooperation in the economic, technical, and cultural fields. The issue of increasing Korean investment in Bangladesh and recruiting more manpower from Bangladesh is likely to come up for discussion during the summit meeting.

The Bangladesh prime minister visited the South Korean National Martyrs Mausoleum in Seoul today to pay respect to those who were killed during the Korean war. She laid wreaths at the mausoleum. Begum Zia went to the mausoleum built at (Yang Chun Lun) in 1955 in memory of those buried in the national cemetery. The Korean war was a tragic experience for the entire Korean population. The Koreans have long been a homogeneous nation.

Bangladesh nationals living in South Korea met with Prime Minister Khaleda Zia at the Grand Hyatt Hotel in Seoul this evening. The prime minister exchanged views with the Bangladesh nationals living in Seoul and asked about their welfare. She called on them to uphold Bangladesh's image abroad. Later, A.K. Fazlur Rahman, the Bangladesh ambassador to South Korea, hosted a banquet in the prime minister's honor.

Meets Kim Yong-sam

SK2605083795 Seoul YONHAP in English 0732 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — South Korea and Bangladesh agreed to boost bilateral trade and cultural relations in a summit meeting held between President Kim Yong-sam and Prime Minister Khaleda Zia at Chongwadae [presidential offices] Friday morning.

Zia asked for the South Korean Government's support in Korean corporate investment in her country's industries and infrastructure, and Kim said his government would encourage corporations to invest in Bangladesh's infrastructure expansion projects as well as in its industries.

Kim, stressing North Korea's nuclear weapons development program must be brought to a halt by all means because it poses a grave threat to the peace and stability of not only the Korean peninsula but also of the whole Northeast Asian region, explained to the Bangladeshi leader Seoul's efforts to end the north's nuclear program through improved inter-Korean relations.

President Kim then thanked Prime Minister Zia for her government's support in Seoul's bid for a non-permanent seat of the UN Security Council.

After the summit, the two leaders watched their respective foreign ministers sign the Korea-Bangladesh science and technology cooperation treaty.

Zia also attended a luncheon meeting hosted by leaders of major business organizations and attended a seminar on Bangladesh's foreign investment environment.

In the afternoon, she is scheduled to meet her Korean counterpart Yi Hong-ku and attend a dinner hosted by President Kim at Chongwadae.

Agreement on Joint Projects

SK2605112295 Seoul YONHAP in English 1101 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — Top South Korean and Bangladesh leaders agreed on a set of specific bilateral cooperative projects during their summit meeting here Friday, a senior Chongwadae [presidential offices] secretary said.

President Kim Yong-sam and visiting Bangladesh Prime Minister Khaleda Zia agreed to create an exclusive South Korean industrial estate at the Bangladesh port city of Chittagong.

The estate will be built at 100 million dollars to be invested by South Korean industries and will, when completed, house about 30 Korean firms.

South Korea also agreed to give more opportunities for Bangladesh workers to train in Korea by expanding the number of Bangladesh industrial trainees to be accepted by Korea.

Prime Minister Zia, in particular, asked for South Korea's soft-term EDCF (Economic Development Cooperation Fund) credit to help finance her country's railroad project and also for a regular air service by a Korean airliner between Seoul and Dhaka, according to senior secretary Yu Chong-ha.

Technology, Cultural Accords Signed

SK2605032995 Seoul YONHAP in English 0220 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 25 (YONHAP) — South Korea and Bangladesh signed an agreement Friday on science and technology cooperation which will promote exchanges of researchers, information and publications between the two countries, a Foreign Ministry spokesman said.

The agreement, signed between Foreign Minister Kong No-myong and his Bangladeshi counterpart Mustafizur Rahman, calls for the establishment of a joint committee to oversee science and technology cooperation, the spokesman said.

Kong and Rahman signed the agreement at the presidential office of Chongwadae immediately after President Kim Yong-sam and Bangladeshi Prime Minister Begum Khaleda Zia concluded their summit meeting in the morning, he said.

Vice Foreign Minister Yi Si-yong and Yi's Bangladeshi counterpart Farooq Sobhan [spelling of name as received] meanwhile signed an agreement establishing a cultural exchange program which will implement a variety of exchange projects between the two countries to begin this year and continue through 1997, the spokesman said.

The Korea Foundation's Vice President Kim Pyong-yon also signed with Bangladeshi Ambassador Fazlur Rahman a memorandum of understanding (MOU) concerning development cooperation for the construction of the Bangladesh-Korea Friendship Hospital.

The MOU stipulates that South Korea will provide 1 million U.S. dollars to Bangladesh for the construction of hospital building, invitation of Bangladeshi hospital trainees and the provision of medical equipment and supplies, while the Bangladesh will provide approximately 500,000 U.S. dollars worth of land for the construction of the hospital, according to the spokesman.

Ex-Labor Minister Arrested on Corruption Charges

SK2605083995 Seoul YONHAP in English
0818 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — The supreme public prosecutor's office on Friday arrested former Labor Minister Yi Hyong-ku on charges that he accepted 275 million won in kickbacks while serving as governor of the state-run Korea Development Bank (KDB) between 1990 to 1994.

The prosecution also arrested two former KDB executives Hong Tae-sik and Son Pil-yong on similar charges. Hong, presently the president of a securities company, was charged with accepting 128 million won while Son, currently a lease company president, received 102 million won in kickbacks in return for their approval to grant bank loans to businesses.

But another former KDB executive Yu Mun-ok, who allegedly received 10 million won in kickbacks, was allowed to return home Thursday as the prosecution decided to indict him without physical detention.

The prosecution's investigation into the bribery scandal has virtually come to a conclusion, only leaving prosecutors to make additional probes into those business persons who offered the kickbacks to the former KDB officials.

Government To Indict Telecom Union Leaders

SK2605070395 Seoul YONHAP in English
0605 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — The prosecution, facing the situation of Korea Telecom in which the union's work-to-rule struggle is hindering the state-run company's telecommunication services, such as repair service for telephone circuits, has decided to indict those unionists with a leading role in the struggle on charges of interference in the company's normal operations.

The struggle in which unionists report to their offices at 9 am appears to be conforming to the company's rules, but the consequences are virtual neglect of duty hindering the company's normal operations, a spokesman said Friday.

Union leaders in the struggle, including 44 union branch heads in Seoul, will be charged with interference in the company's operations, he added.

Normally, the company's technicians usually report to their offices one hour earlier than the nine o'clock reporting hour to receive work orders for the day and prepare themselves for those orders, and they are paid for such early reporting.

Science Official Resigns After Funds Misused

SK2605094495 Seoul YONHAP in English
0923 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — Sim Sang-chol, director of the Korea Advanced Institute of Science and Technology (KAIST), tendered his resignation Friday in connection with the KAIST's "improper use" of office money.

Sim told reporters that he and former KAIST chief administrator, Prof. Yun Myong-chung, paid a total of 32 million won out of their pockets to indemnify the KAIST for the money found by the Board of Audit and Inspection in last April to have been improperly used.

The expenses at issue were those stemming from the presentation of gold medals to those who contributed to KAIST's development and the use of some amounts by the KAIST without obtaining receipts.

He said an undisclosed number of "publicity" gold medals were made, 31 of which, he said, were distributed to those who were much helpful to KAIST programs and to the representatives of those organizations which have awarded research contracts to the KAIST.

Ex-Minister Chosen as Cheju Governor Candidate

SK2605112195 Seoul YONHAP in English
1040 GMT 26 May 95

[FBIS Transcribed Text] Cheju, May 26 (YONHAP) — The Cheju Province chapter of the opposition Democratic Party [DP] Friday chose Kang Po-song, former minister of agriculture, forestry and fisheries, as its candidate for the upcoming Cheju gubernatorial election.

In a nomination ballot attended by 65 DP Cheju chapter delegates, Kang earned 41 votes as against the 15 and seven votes obtained by Chin Mun-chong, a party chapter advisor, and Kim Song-pom, former DP Cheju district chairman, respectively.

Kang, age 65, served as the 11th and 13th National Assembly member; Agriculture, Forestry and Fisheries minister; and the ruling Democratic Liberal Party's Cheju Chapter chairman.

Democratic Party Suffering From Internal Rifts

SK2605054595 Seoul YONHAP in English 0515 GMT 26 May 95

[FBIS Transcribed Text] Seoul, May 26 (YONHAP) — The main opposition Democratic Party (DP) is suffering from internal rift between two major factions and appears it may not stay together for the upcoming nationwide local elections, slated for June 27.

Party President Yi Ki-taek walked out of a meeting with vice presidents of the party on Thursday expressing his displeasure with the results of the party's fact-finding committee's investigation into an alleged corrupt voting scandal for the party's Kyonggi governor candidate, and is subsequently considering his resignation as president.

Shortly before the walkout Yi said, "I cannot but doubt if I should remain president, because my reputation has been so tarnished so close to the local elections."

The fact-finding committee reported to the meeting the results of its investigation into Rep. Chang Kyong-u's alleged attempt to buy deputies' votes. Rep. Chang was supported by DP President Yi.

The investigation concluded that Rep. Chang's camp paid some deputies 200,000 won each in addition to 5.8 million won it paid for their hotel accommodations.

Chang won the vote on May 13 to become the party's candidate for governor of the Kyonggi Province, defeating Rep. An Tong-son, recommended by the party's largest Donggyo-tong faction under the influence of former party leader Kim Tae-chung.

Yi departed for North Kyongsang Province Thursday afternoon to participate in a ceremony appointing a local party chapter head.

Before his departure Yi instructed his secretaries to seal off his office at the party building and not to clean it, which is in disarray after several unsuccessful applicants for the party's candidacy vandalized it.

Yi's displeasure was also caused by the fact-finding committee's allegedly insincere dealing with the violent acts displayed by the unsuccessful applicants.

Yi said, "The committee expanded and exaggerated the alleged vote-buying act of Rep. Chang to damage my reputation. Somebody should take responsibility for this situation. Furthermore, it is hard to think that the violent acts by the unsuccessful applicants for the party's candidacy just accidentally happened."

With the angry reaction of President Yi, Rep. Kwon No-kap, who leads the largest faction, displayed his desire to reconcile the offenses by going out to meet Yi at Seoul station Thursday night.

In another effort to save the situation, Rep. Kwon and other vice presidents suggested that Yi should hold full powers for the party's preparation for local elections.

But the situation is still not clear.

An aide to Yi said, "Yi's reaction is so strong that we cannot predict what he will decide. We expect that he may hold a press conference in two or three days to express his position."

*Kim Yong-sam Faction's 1997 Election Prospects

952C0109A Seoul WOLGAN CHOSON in Korean Apr 95 pp 102-112

[Article by reporter Choe Chang-won rounding up the results of an opinion survey on the Kim Yong-sam faction's chances of reelection in the 1997 presidential election]

[FBIS Translated Text]

Call for Amending Constitution Resurfaces

During the news conference in February marking his two years in office, President Kim Yong-sam categorically declared that "there will be no amendment of the Constitution during my term of office." He brushed aside all arguments about amending the Constitution by saying, "Five years is enough." However, contrary to the president's expectation, controversy over whether or not to amend the Constitution actually continues endlessly in political circles.

In its inaugural prospectus the Liberal Democratic Alliance [LDA] openly called for an amendment to the Constitution to introduce a cabinet responsibility system. Assemblyman Yu Song-hwan and Kungmin University President Hyon Sung-il in tandem called for "an amendment of the Constitution to change the presidential term of office to four years and allow a second four-year term." With the local elections and the 15th general election drawing closer, arguments for and against amending the Constitution to provide for a cabinet form of government, among others, are about to be brought to the surface on a full scale.

Which form of government do our National Assembly members prefer, the presidential or the cabinet form? Will the YS [Kim Yong-sam] faction (the RDP [Reunification Democratic Party] faction), the power base of the Kim Yong-sam administration, be able to form a post-Kim Yong-sam government?

WOLGAN CHOSON has conducted an opinion survey among National Assemblymen through a questionnaire to find out their opinions regarding the possibility of the DLP's [Democratic Liberal Party] YS faction (the RDP faction) forming a post-Kim Yong-sam administration and regarding the issue of amending the Constitution to provide for the cabinet form of government, one of the two major political trends along with the trend toward local autonomy in our country. Out of 299 assemblymen, 100 responded.

The survey was conducted by two different methods, namely, over the telephone and by a written questionnaire. Anonymity was the rule.

However, some of the assemblymen who responded to a telephone survey said they had no objection to revealing their names. So, the names of these assemblymen were identified.

By party affiliation, the respondents were made up of 48 DLP members, 42 DP [Democratic Party] members, and eight LDA members, independents, and others [figures as published]. The following are the prospects for amending the Constitution to provide for the cabinet form of government and the possibility of the YS faction's forming the post-Kim Yong-sam administration as seen by these 100 National Assembly members.

17 Percent See Prospects of RDP Faction in Power

The first question the National Assembly members were asked was whether it is possible for the RDP faction (the YS faction) in the DLP to form the next government.

Of the total 100 respondents, 17 (percent) answered, "Possible." By party affiliation, 12 DLP members and five DP members said "it is possible for the YS faction (the RDP faction) to be in power in a row." As many as 69 (percent) assemblymen said "Impossible," and 14 said "do not know."

The DLP assemblymen who said it is possible for the YS faction to hold the reins of government for another term gave "the success of the reform policy and the public support for globalization" as the reason. The opinion of Assemblyman Yu Song-hwan belonging to the YS faction in the DLP is typical.

He said: "The Kim Yong-sam administration's reform politics and globalization policy are supported by the public. The RDP faction is the champion of liberal democracy. The DJP faction has prominent figures, but the forces that led military culture for 30 years are out of the question because continuation of reform is important, and the nation needs a leader who is in keeping with the age of globalization."

DLP Assemblyman W, who may be classified as belonging to the non-YS faction, said that the YS faction can hold the reins of government for another term only when there is an amendment of the Constitution to provide for the cabinet form of government. At present, the opposition party is divided into the mainstream, non-mainstream, and Tonggyo-tong factions; and the DLP is also divided into the DJP faction and the YS faction (the RDP faction). Given these circumstances, said Assemblyman W, when the presidential form of government is maintained, it will rather lesson the DRP faction's chances of staying in power for another term on account of the politics of regionalism.

But those DP assemblymen who think "it is possible for the YS faction to hold the reins of government for another term" gave a different explanation. According to them, in view of the lack of chemical cohesion among DLP members and President Kim Yong-sam's mode of operation during these two years since the three-party merger (for instance, the expulsion of Kim Chong-il from the DLP and his coolness toward the DJP faction), the DJP faction is destined to be left out in the cold. According to their analysis, President Kim will eventually choose the next presidential candidate from among his associates who shared their joys and sorrows with him for over 30 years.

Another assemblyman W who is a DP heavyweight said: "President Kim Yong-sam is partial to members of his faction. Most of the DJP faction will be left out in the nomination of party candidates for the 15th general election, and a new YS faction will be formed with the inclusion of some members of the DJP faction. With the regrouped RDP faction at the center, a presidential candidate will emerge from among its heavyweights, including Kim Tok-yong and Choe Hyong-u."

Predicting the possibility of the RDP faction's staying in power for another term, Assemblyman J said: "The presidential form of government is centered on personal charisma. In my view, the press and conglomerates will make a coordinated effort to build up the image of a particular person to fit him to the presidential mantle."

The 17 assemblymen who said it is possible for the YS faction (the RDP faction) to stay in power for another term was asked: "If so, who will be the next presidential candidate?" They replied, "it is difficult to mention a specific person because nobody knows how the 15th general election will turn out." But they gave their answers by qualifying them with the words "if you insist."

As the likely candidate, six mentioned the name of Kim Tok-yong, two mentioned Choe Hyong-u, two mentioned Kim Yun-hwan, and one mentioned So Sok-chae. The remaining four said "it is impossible to predict."

When Rich Father Dies, Children Squabble Over Inheritance

Of the 69 assemblymen who said it is impossible for the YS faction (the RDP faction) to hold the reins of government for another term, 29 were DLP members, most of whom belong to the non-YS faction. Of these DLP assemblymen, 19 said, "If not the YS faction alone, but the DLP as a whole makes a concerted effort, the DLP can hold onto the reins of government for another term," thus assuming the possibility of choosing the next presidential candidate from the DJP faction.

Explaining why it is impossible for the YS faction to hold the reins of government for two consecutive terms, an LDP assemblyman from an electoral district in the Taegu-Kyongbuk area said: "No one in the RDP faction is considered a qualified presidential candidate. Given the foundation that has been laid for selecting the presidential candidate by competition in a democratic way, the president won't be able to nominate his man as presidential candidate from among his inner circles, even if he wishes to do so."

On the other hand, 10 DLP assemblymen expressed their strong opinion in these words in a self-contemptuous tone: "It is impossible for the DLP, not to mention the YS faction (the DRP faction), to stay in power for another term." This remark hints at the possibility that there will be a mass desertion from the party after the local elections.

A DLP assemblyman from North Kyongsang Province made a very harsh "self-criticism of the DLP."

He said: "It goes without saying that if a presidential candidate comes from the YS faction (the RDP faction), a minority group, the party cannot win. Not the YS faction but the ruling camp as a whole made Kim Yong-sam president. On the other hand, the DJP faction lacks a rallying point. It is impossible to find an influential and tolerant presidential candidate in that faction either. I can imagine how lonely Kim Chong-pil might have been when he was with the DLP."

DLP Assemblyman C said: "The outcome of the 15th general election will be very important. The current political situation is very disadvantageous to the DLP. The DLP is expected to have a hard time in the local elections, and even a pessimistic view anticipating a miserable defeat in the 15th general election is emerging in some quarters of the ruling camp. Among the assemblymen from Seoul who belong to the YS faction, there is talk of the possibility of their total defeat in the 15th general election."

His statement may be interpreted as meaning to say that assemblymen of the RDP faction cannot hope for the presidential mantle when they are likely to lose in the next general election, and that the RDP faction will be reduced to a very small regional splinter group and lose its influence when the 15th general election is over.

Among the respondents who said it is impossible for the YS faction (the DRP) faction to hold the reigns of government for another term, one assemblyman made this assessment: Should President Kim Yong-sam nominate his man as presidential candidate, members of the DJP faction will bolt the party in droves. But on the other hand, should the president back up the DJP faction for pragmatic reasons, the YS faction would not follow the lead. Accordingly, the DLP will find no alternative either way.

LDP Assemblyman P made this analogy: "When the children who grew up in poverty suddenly come to enjoy a life of ease and comfort thanks to their father who became an overnight millionaire, they will soon be at loggerheads with one another for the lion's share of the property. When their father dies, the children will be overturning the diningroom table and destroying the home in a fierce fight."

LDA Assemblyman Kim Yong-hwan expressed the view that the assemblymen in President Kim Yong-sam's inner circle cannot take over the reins of government because they sway so much for a lack of philosophy and principle on statecraft.

He said: "It has been a long time since the public expectation for their reform policy turned sour. The slogan of globalization is so abstract that even the president himself does not understand its meaning. Yet a small coterie of the YS faction came out with a demand for the postponement of the local elections, with "wishful thinking" about taking over the reins of government after Kim Yong-sam. Foiled in this attempt, they have now come out with a demand for barring the political parties from nominating candidates for the local elections, bringing the political situation into chaos. There is not even a 1-percent chance that this coterie will form the next government.

In his answer DP Assemblyman K said: "Kim Chong-pil left the DLP, a three-party amalgamation. During the recent turmoil over the revision of the Local Autonomy Law, the DJP faction sat back with its arms folded. The DLP being a party lacking chemical cohesion among its members, no matter who emerges as the presidential candidate, it would be impossible for him to take over the reins of government."

Using personal charisma as the yardstick, quite a few assemblymen predicted that none of the YS faction will be able to take over the reins of government. They pointed out: "People in our country want a charismatic leader like the two Kims. Who in the RDP faction has such charisma? All of them are Tweedledums and Tweedledees."

Government of DJP Faction Possible Under Political Chaos

The second related question was: "If the YS faction cannot come into power for a second time, which individual or political group do you think stands nearest to the next presidential seat?"

Of the 69 assemblymen who said it is impossible for the YS fashion (the RDP faction) to come into power once again, 56 said "it is difficult to give the name of a specific person." Six mentioned DP President Yi Ki-taek; two named Chong Tae-chol; one named Kim Chong-pil, the honorary chairman of the committee for the founding of the LDA; and two said the candidate will emerge from the reform group in the DP without regard to personal charisma. DP Assemblyman J alone mentioned the name of former Prime Minister Yi Hoe-chang as a likely contender in the next presidential race.

Among those assemblymen who mentioned political groups instead of the names of individuals, five mentioned the DP as the party in power in the next presidential term. DP Assemblyman L drew attention when he alone predicted that the DJP faction in the DLP will be nearest to the presidential seat in the next presidential race.

He described the following scenario of the future political situation: If no political party wins a majority vote in the 15th general election, throwing the political situation into chaos, most probably the support of the stability-oriented conservative forces will play a decisive role in the presidential election. In this event, chances are high that a candidate from the DJP, which represents these forces, will be elected president.

DP Assemblyman Chang Ki-uk predicted the possibility of the DP coming into power basing his argument on technicality, not on personal charisma.

He said: "If the public enthusiastically accepts the opposition party's method of choosing its candidate by free election, as well as the outcome of the selection, the DP will be able to take charge of the management of state affairs. But to make it happen, the understanding on the part of members of the former ruling camp, such as the Taegu-Kyongbuk group and Kim Chong-pil, and their help will be necessary. Even when personal caliber should be taken into consideration, a presidential candidate should come from the central part of the country next time."

Some are of the opinion that given the situation in which the ruling party lacks a distinctive potential candidate for the presidency, DP President Yi Ki-taek might win if Kim Tae-chung, chairman of the Asia-Pacific Foundation, supports him.

Public Opinion May Favor Kim Tae-chung as Next President

The written questionnaire did not include a question regarding the possibility of Kim Tae-chung, chairman of the Asia-Pacific Foundation, running for the next presidential election. But 42 assemblymen (22 DLP members, 16 DP members, and four others) were asked about this possibility over the telephone.

This question was asked because those assemblymen who said the YS faction has no chance of coming into power once more by citing the absence of the right person as the reason, answered that "none of the persons mentioned by the DJP faction of the DLP and the DP as potential candidates are fit for the presidency," a remark full of implications.

Of the 42 respondents, 30 (71 percent) said Kim Tae-chung will run for the next presidential election. They are: 14 of the 22 DJP respondents; 12 of the 16 DP respondents; and four other respondents, including LDA assemblymen. On the other hand, 12 respondents, including eight DLP and four DP assemblymen, said he will not run.

A total of 17 assemblymen—13 of the 14 DLP assemblymen, and four other assemblymen who said Kim Tae-chung will run for election—predicted that he will run for election but be defeated." On the other hand, 12 DP assemblymen said, "if a national consensus is formed in his favor, he will run for election."

DLP Assemblyman P is the only non-DP assemblyman who predicted Kim Tae-chung will be elected.

He said: "I am 100 percent sure that Kim Tae-chung, chairman of the Asia-Pacific Foundation, will challenge for the presidency once more; and if an election is held tomorrow, he will be elected without fail."

As the basis for his prediction, he cited the fact that both reformist and conservative circles have walked out on the DLP, and on top of that, the DLP behaved more arrogantly than the previous authoritarian establishments during the process of revising the Local Autonomy Law.

DP Assemblyman L said that it is an established fact that Kim Tae-chung will run for election. According to him, nobody except Kim Tae-chung has the kinds of vision and plans fit for the presidency. However, he said there is a precondition that needs to be satisfied before he can run for election—the condition that "there is no other alternative." The DP assemblymen who said Kim Tae-chung will run were all agreed on this point. .

Said DP Assemblyman C: "Kim Tae-chung could be made a presidential candidate if politics is thrown into chaos following the 15th general election, just as De Gaulle was nominated as presidential candidate in France."

On the other hand, DP Assemblymen K said: "In the DLP there is no one qualifying for the next president. Choe Hyong-u is scorned by intellectuals. DP President Yi Ki-taek does not have even his own local power base. The other DP candidates mentioned as possible presidential candidates are about the same level. This leads to the conclusion that Kim Tae-chung should try. With the tone of regionalism weakening, an increasing number of people in the Kyongsang area are beginning to feel sympathy and affection for him. Even soldiers are so democratized that they no longer reject him."

DP Assemblyman M said: "Should the ruling party fall into a minority status and President Kim Yong-sam try to introduce the cabinet form of government after the general election is over, the public would oppose the move and the absolute majority of people in the eastern part of the country (Kyongsang Provinces) would favor the idea that "Kim Tae-chung should be the next president. In this event, he might run for election in the form of being drafted by the public."

DP Assemblyman C predicted Kim Tae-chung's candidacy on the assumption that the Constitution will be amended to provide for the cabinet form of government.

He said: "It would be difficult for Kim Tae-chung to run for election under the presidential system of government. He has time and again declared that he would not run for the presidency. Therefore, one wrong move and he might damage his image. But if the system of government is changed to the cabinet form, he may have a chance."

The 17 DLP, LDA, and independent assemblymen who said Kim Tae-chung will run but not be elected, were unanimous in not taking his retirement from politics at its face value. They said: "When Kim Tea-chung founded the Asia-Pacific Foundation, he must have thought of running for election in the future. If he had no intention to run, he should have remained quiet and stayed out of politics. But in reality, he has been sending one signal after another."

Some assemblymen were suspicious of the role of the Asia-Pacific Foundation. They said they are suspicious of the foundation because despite its claim that it is a research institute, it has a larger scale than an ordinary political organization.

President Opposes Amending Constitution

The third question was: "Are you in favor of amending the Constitution to provide for the cabinet system of government or in favor of not amending it?"

Of the 100 respondents, 57 assemblymen (57 percent) said "it is better not to amend the Constitution" whereas 43 assemblymen (43 percent) said "the Constitution should be amended to provide for the cabinet system." Among the DLP assemblymen, 21 were in favor of amending the Constitution whereas 28 opposed it. Among the DP assemblymen, 15 were in favor and 28 against. Of the other eight assemblymen, including LDA members, seven said the Constitution should be amended to provide for the cabinet system, and one was against it.

Most of the DLP assembly who are regarded as belonging to the YS group (the RDP group) said, "there should absolutely be no amendment of the Constitution providing for the cabinet form of government. The present system of electing the president by direct vote should be maintained." On the other hand, most of the DLP assemblymen belonging to the DJP faction said that "the country should shift to the cabinet form of government."

Despite the official line of the DP in favor of the system of electing the president by direct vote, its assemblymen polled were divided on the question of amending the Constitution. Two DP advocates of the presidential system said that the system of electing the president by direct vote should be maintained because "the current party line is in favor of it."

Choe Hyong-u, Yi In-che, and other DLP assemblymen belonging to the YS group (the RDP group) are "categorically opposed to amending the Constitution to provide for the cabinet system." They are viscerally against the idea of amending the Constitution to introduce the cabinet system. In their view, such an amendment would aggravate regional antagonism. They said that some entrenched interests are trying to making an issue of the cabinet system, and it represents a dirty plot to maintain their vested interest.

DLP Assemblyman Yi In-che said: "The cabinet form of government is not suitable to realty in our country. The presence of a monarch as a symbol of political unity, or a full decentralization of power is a prerequisite for the adoption of the form of parliamentary government. Even in countries under monarchy or under a well developed decentralization of power, a political vacuum is created every two or three months. Imagine what would happen if we were under a cabinet system?" He pointed out that even now our political landscape is dominated by regional ties, and if the cabinet system were to be introduced under these circumstances, it would only fuel regional antagonism. In response to the question, Assemblyman Choe Hyong-u said: "The president, who is also the president of the party, has said he will never introduce the cabinet system, and I have nothing more to say..."

DP Assemblyman Kwon No-kap said he is against amending the Constitution to provide for the cabinet system, for a different reason.

He said: "The amendment of the Constitution to elect the president by direct vote was the outcome of the hard struggle of the people in the wake of the 29 June [1987] proclamation. One who cries for amending the Constitution must be turning a blind eye to the past. It portends ill that some DLP heavyweights discuss the constitutional amendment issue on private occasions."

The opinion in favor of the cabinet system is something to be reckoned with. Assemblymen who said they are in favor of the cabinet system are unanimous in pointing out that our economy and politics have matured to the extent that we can now accept the cabinet system, and that on the other hand, the presidential system has too many demerits. They said that for one thing, the cabinet system is necessary to resolve regional antagonism.

Cabinet System Needed for Regional Reconciliation

There was no room for politicking under the authoritarian governments in the past. Some respondents pointed out that the same things are happening again under the Kim Yong-sam administration, a so-called civilian government, because of the limitations of the presidential system.

Explained DP Assemblyman Cho Sun-sung: "In the past people called for the presidential system in the interest of national unification, the stability of the government necessary for that goal, and national security. But in my opinion, the cabinet form is now preferable. He gave this reason: "We have reached the point in time where achieving reconciliation between the eastern and western parts of the country has become more important than achieving the unification of the North and the South, and introducing the cabinet system is a short cut to reconciliation."

If people are fearful of the frequent change of government that would occur under the cabinet system, he said, all we have to do is to devise a legal brake, like the "constructive no-confidence system" in Germany, so that no vote of no-confidence may be allowed for a certain period of time after a cabinet is installed,.

DLP Assemblyman L attached greater importance to the method of operation than the system.

He said: "To say that when the cabinet system is adopted, it will pave the way for the politics of responsibility and the removal of regionalism, is irresponsible thinking. What matters is not the system but the method of operation. When the presidential responsibility system takes hold and the opposition forces come into power even once, problems concerning political responsibility and regionalism will be resolved at their sources."

A DP Assemblyman from Kwangju holds that an active effort should be made to amend the Constitution to provide for the cabinet form of government. He said: "In the past the cabinet system was not suitable to the temperament of our people, nor was there any possibility of the opposition party coming into power. But now we have a rigid, established pattern in which regional sentiments play a decisive role in choosing the president by election. It is not easy to resolve the regional gaps and antagonism under these circumstances. The cabinet system is one way of removing them."

DLP Assemblyman P argued: "If the presidential system is a winner-takes-all game, the cabinet form of government is one that facilitates conciliation and harmony. In the recent turmoil over the issues of revising the Local Autonomy Law and barring political parties from nominating candidates, only the government party was held responsible for the trouble. The greatest problem facing politics in our country is that rights and responsibilities are separated. If ruling and opposition politicians seek to share both rights and responsibilities together, they should move toward the cabinet system."

The assemblymen from electoral districts in Seoul among the DP assemblymen who responded to the questionnaire said: "Assemblymen from the Honam area in particular seem to prefer the cabinet system, wishing to combat the pattern of politics based on regionalism. People often say that if opposition politicians partly take part in the government and help realize a politics of responsibility and mollify Honam people's feeling of being alienated, then it may be possible to do away with regionalism."

45 Assemblymen Foresee Amendment of Constitution

The fourth question was: "Aside from your personal preferences, would you make your own prediction as to whether there will be an amendment of the Constitution in the near future to introduce the cabinet system?" This question was asked to see what kind of political weather map each assemblyman is drawing for the future, at a time when the introduction of local autonomy is near at hand and the 15th general election is not far off.

Of all the respondents, 45 assemblymen (45 percent) said, "there will be an amendment of the Constitution to provide for the cabinet system after the 15th National Assembly is convened, although it won't be an easy task to accomplish." On the other hand, 51 predicted that "it will be difficult to make such an amendment in the near future." The remaining four said, "Do not know." By party affiliation, 17 of 49 DLP respondents and 20 of 43 DP respondents tilted toward the opinion that the Constitution will be amended. All of the eight remaining respondents, including LDA assemblymen, predicted the possibility of the amendment.

Most of the assemblymen who said there will be an amendment of the Constitution predict that "an open discussion of the issue will begin at the 15th National Assembly in one form or the other." According to their scenario, assuming that no single party will receive a majority vote in the general election, the President's hold on state affairs will loosen and plans of all political parties for the next presidency will be thrown into chaos, and one day the question of amending the Constitution will be brought up.

According to some respondents, political leaders of equal ability will behave like regional bosses on the strength of their regional ties, and the cabinet form of government will be instituted as a compromise among them.

DLP Assemblyman S described the following political scenario: "The greatest problem is the absence of political leaders who will compare favorably to Kim Yong-sam and Kim Tae-chung. Therefore, if regional political bosses of equal caliber—such as Yi Han-tong in the Kyonggi area, Kim Yun-hwan in the Kyongbuk area, and Kim Chong-pil in the Chungchong area—appear on the forefront of politics following the 15th general election, then there will be a strong possibility of amending the Constitution."

On the other hand DP Assemblyman Yi Chol said: "The question of amending the Constitution to introduce the cabinet system is the "hottest potato" for the political world. Should the DLP suffer a miserable defeat in the four-level local elections this coming June, the Kim Yong-sam administration would find difficulty in conducting state affairs in the remaining three years of its term. As a way of breaking through the political impasse, the ruling party might come out with a proposal for amending the Constitution; and when the problem of adopting the cabinet form of government is brought to the surface, chances are high that it will be settled in no time, depending on the interests of each political group."

Another DP assemblyman prophesied: "President Kim will lose his influence precipitously after the coming local elections. Therefore, consideration will be given to the possibility of amending the Constitution to introduce the cabinet form of government through the coalition of the DP mainstream and some of the DLP factions"

YS [Kim Yong-sam] May Try To Introduce Cabinet System

Contrary to the political weather map drawn by these assemblymen, some other DLP and DP assemblymen pointed out the possibility of amending the Constitution to provide for the cabinet system because, in their words, "all assemblymen of both the ruling and opposition parties prefer the cabinet system." Said a DLP assemblyman: "Not a few of the DLP assemblymen prefer the cabinet system, and I hear that in the DP, too, a considerable number of assemblymen prefer the cabinet system despite the official party line. When the 15th National Assembly opens, the ruling party will be somewhat free from the presidential noose, and the question of amending the Constitution will be taken up as a matter of course."

Said independent Assemblyman Cho Sun-hwan: "The DLP lacks a qualified leader to succeed Kim Yong-sam. The DP, for its part, knows that regionalism will not help them in their bid to come into power.

President Kim Yong-sam is the type who comes up with one shock remedy after another to manage his popularity. He says there will be no amendment of the Constitution during his term of office. But should he find himself in a predicament as a result of the local and 15th general elections, he would not hesitate to switch in favor of an amendment of the Constitution providing for the cabinet system."

A DP assemblyman expressed a unique opinion. He said: "The Constitution will be amended to provide for the cabinet system. But it will be more appropriate to take up the issue after the next presidential election. If the issue of amending the Constitution comes to the fore before the next presidential election, the end result would be the regional division of influence to protect the vested interests of three Kims. If the issue is taken up after the next presidential election, it will be discussed in an appropriate manner."

Those national assemblymen who ruled out the possibility of amending the Constitution to provide for the cabinet system, trust the President's word at its face value. When asked whether there will be an amendment of the Constitution or not, DLP Assemblyman Choe Hyong-u replied: "The President has ruled it out, and I have nothing more to say..." The assemblyman meant to say that there could be no other reason not to amend the Constitution. According to his political forecast, now that the president has ruled out the possibility of amending the Constitution, there can be no ground for the president to reverse himself. DP Assemblyman Kim Sang-hon was also inclined to trust President Kim's word.

Political Restructuring Inevitable

The salient fact that came to light from answers to the questionnaire in our latest survey is that most of the assemblymen who responded, 75 percent to be specific, have a negative view on chances of the YS faction (the RDP faction) staying in power for another term, and predict that when the 15th National Assembly is formed, the question of amending the Constitution to provide for the cabinet system will be taken up as an issue one way or another.

As pointed out earlier, the 15th general election will offer President Kim Yong-sam the last chance to exercise his right to nominate his party's candidates. Up till now [DLP] assemblymen had to study his face, but from now on they will no longer be one-sidedly pushed around by the president as in the past. This general prospect could be confirmed in the answers of assemblymen to the questionnaire. In fact, most of those assemblymen who gave an ambiguous answer by saying that it is difficult to predict the outlook for amending the Constitution to introduce the cabinet system said, "Things will be change one way or another when the 15th National Assembly is called into session."

In exactly 100 days from the day the April issue of WOLGAN CHOSON is put on sale, the elections of heads of local governments will be held. The results of these elections will serve as a barometer of the future direction of national politics, including the outcome of the 15th general election just one year off.

If the local elections should end in victory for the ruling party, it may lead to political stability. But should the ruling party be defeated, the country would be immediately thrown into a political maelstrom with unpredictable consequences. Some LDP assemblymen might bolt the party. We have a feeling that there might have to be another political regrouping, and that the nation is on the eve of a great political turmoil!

*Conglomerates 'Ostensibly' Bow to Chongwadae

952C0106D Seoul HANGYORE 21 in Korean
2 Mar 95 pp 16-19

[By reporter Kim Hyon-tae: "Conglomerates Bow Their Heads Again — Businesses Duck to Avoid 'Fallout' from Rumored Punishment for Sunkyong's Impertinence"]

[FBIS Translated Text] The fact that the president of the Federation of Korean Industries [FKI] made a personal visit to the deputy prime minister [DPM] for the economy in his Kwachon office was itself a "landmark" event. Meetings between an FKI president and a DPM for the economy are nothing unusual but they are customarily held at the FKI's invitation, like the one FKI President [and Sunkyong Group President] Choe Chong-hyon had with DPM Hong Chae-hyong on 10 January by inviting the latter to a luncheon with the heads of major business groups at the FKI Hall.

"Before Criticizing the Government, Be Sure You Stick to the Law"

Until then at least, FKI President Choe's spirits were undampened. He did not mince words asking the DPM for, among other things, further deregulations. However, a little over a month later, on 16 February, the FKI president was subjected to the humiliation of having to go all the way to Kwachon to see the DPM, reportedly bowing his head. No one knows if FKI President Choe really had committed an error so serious that he had to make such an extraordinary visit to apologize. Nor is there a way of knowing for sure whether Choe himself really knew what he had erred about.

As was known already, the trouble began with Choe's comments at a news conference held on 14 February upon his reappointment as FKI president. A holder of a master's degree and a graduate of the University of Chicago economics school, he is always full of self-confidence as far as economic theories are concerned. He would speak up about his views at any place. The news conference that day was no exception for him. [Among his comments there:]

"Enterprises are accused of expanding their business lines like an octopus spreading its arms. Also, there is a call for business specialization. These things represent a notion of the old days when Edison invented the electric lightbulb." "When the call rate goes up to an annual 25 percent, no businesses can survive, none in any country." "It is not right to be scared of an overheating of the economy prematurely and to use cooling-off measures."

The tone of his criticisms of government policies was a bit higher than usual. The gist of his comments, however, did not basically diverge from what he had been saying on inflation and globalization. Nonetheless, Choe had to visit DPM Hong two days later to make "explanations" about his comments. Meanwhile, in the stock market, Sunkyong-related issues nosedived as rumors of a tax investigation into the Sunkyong Group circulated. Although the tax probe rumor nearly subsided the next day, it was confirmed that the Fair Trade Commission [FTC] had initiated an inquiry into the group. On 17 February, the next day of Choe's visit, Kim Son-ok, FTC chief secretary, disclosed in an unscheduled news release that the FTC "has begun an inquiry into allegations of improper, intragroup transactions involving four affiliated firms of the Sunkyong Group."

Then why did Choe have to bow his head? The answer comes in part from the subsequent moves of the government. In respect to its Sunkyong probe, the FTC's official position was that it involved no deliberate attempt to punish Sunkyong. It said: "The probe is part of the FTC 1995 program from the beginning." It would be followed, the FTC added, by similar inquiries into affiliated firms of three other groups—Hyundai, Samsung, and Daewoo.

The FTC's explanation pleading "coincidence" carried no persuasion, however. In the 1993 inquiries, it was found that the group topping the list of perpetrators of intra-group transactions was not Sunkyong (28 percent) but Daewoo (32 percent). A responsible FTC source said unhesitatingly that "since Sunkyong is so critical of the government, we just want to know how law-abiding it is."

"The Sunkyong Trouble Is Our Concern, Too"

The senior presidential secretary for economic affairs, Han I-hon, put it even more bluntly. At a luncheon with senior economic reporters on 17 February, he said with no hesitation that "the way (Mr Choe) presented his views was wrong. Some of the points he made were also wrong." Specifically, referring to one of the "wrong points" Choe made, Han noted that "an investigation has revealed that the interests being paid by Sunkyong are at an annual 11 percent."

The most direct factor pushing the government toward a harsh punitive action seemed to be that the Choe remarks sounded like directly criticizing President Kim. Earlier on 9 February, President Kim stressed at a Chongwadae meeting called to discuss the propelling of the New Economy program that "big businesses are branching out into too many fields and their conglomerate-type management is driving smaller enterprises to the wall. This must cease." Five days later Choe made the high-tone remarks, including: "business specialization is a notion of the old days when Edison invented the electric lightbulb"; people can very well imagine how it was received by officials at Chongwadae. Upon learning about it from a 9 P.M. TV news report that day, President Kim reportedly showed his deep displeasure and immediately told secretaries to confirm the related facts.

In fact, under the president's instructions, Chongwadae officials called in Son Kil-sung, director of the management and planning office of the Sunkyong Group, for questioning. They also reportedly considered wide-ranging sanctions against Choe and Sunkyong. As the situation thus made an ominous turn, Choe decided to visit DPM Hong in person and make explanations about the remarks at issue. The rumor of a tax examination was also viewed as a leak from Chongwadae officials who were in the process of weighing a punitive action against Sunkyong.

The prompt visit to Kwachon by an apologetic Choe, however, did not seem to solve the problem right away. Sunkyong officials, so flustered for the first few days that they did not know what to do, appear to have regained their calm since 18 February. But the stir created by the Choe remarks was enough to plunge the whole business community into a tense atmosphere. Other groups, too, were left unable to shake off the feelings that they cannot remain an idle spectator to the Sunkyong trouble.

The business community views the trouble not as a one-time affair. It is apprehensive that the government policy—which has been sending friendly signals to *chaebol* [conglomerates] through the process of internationalization and globalization—seems to have reversed its course. A prevailing observation is that with the approach of the local elections, President Kim perhaps has begun an effort to tame *chaebol*.

There are some specific signs of it. At the aforementioned 9 February Chongwadae meeting on the New Economy program, President Kim strongly rebuked *chaebol* for their conglomerate-type management. At the time, the president's comment was received as campaign rhetoric to score points with medium- and small-scale enterprises. If Choe had taken it more seriously, he could have avoided the trouble. In the wake of the repercussions from his remarks, the FKI president must have had pondered over the president's 9 February comment all over again.

For some days preceding the Choe trouble, there had been numerous rumors involving the Daewoo Group. As it delayed the announcement of its restructuring plan as long as a week, rumors circulating had it that the group is having serious problems with the government. Sinister allegations continued, including that its president, Kim U-chung, would run in the Seoul mayoral election, and that there would be a retaliatory tax audit soon. It was speculated that, after the Hyundai Group, Daewoo had been picked as the second scapegoat in President Kim's *chaebol*-taming drive.

Kim U-chung Openly Declares "I'll Not Go Into Politics"

In fact, the Daewoo Group's restructuring plan, unveiled on 15 February, showed traces of great efforts to curry favor with the government. In a message to Daewoo employees entitled "With a Grim Resolve to Restart It All Over Again," Kim U-chung, apparently conscious of those rumors, said that "I am aware of the rumors circulating that are injurious to me and our Daewoo," indirectly showing his displeasure. With grimness indeed, and cordiality, he stated: "I would like to make it clear that sweeping reform and devotion to the auto business are my life work ... and that I am determined to do my best in every step I take in this life work of mine." The message was viewed by some in the business community as tantamount to an open declaration by Kim U-chung that he will not depart from his path to engage in politics, and that he will comply with the government policy of business specialization. Kim U-chung also tried to call back Rep. Yi Chae-myong (national constituency) of the Democratic Liberal Party, a former Daewoo official, from the National Assembly but had to give it up because of opposition from the political quarters.

Also on 16 February, the Daewoo Group was fined 2.59 billion, a record high, by the FTC for Daewoo Corporation's investment in Daewoo Shipbuilding exceeding the legal limit under the Fair Trade Act.

Meanwhile, the Hyundai Group, acceding to Chongwadae's strong demands, made public its plan to reorganize affiliated companies. It was stripped of Kumgang Development's Suwon Minja Yoksa and Saop Chason Chongkwon but had to endure it with no complaint. Recent moves of the quick-witted Samsung Group are also a cause of concern. It stayed out of the public bid for Koyang Shipping, which was put up for auction by Pohang Iron & Steel, from the beginning, while focusing on normalizing its relations with the government and other members of the business community by forming a foreign economic cooperation group. Through last year at least, Samsung had been demonstrating its *chaebol* power and capabilities either criticizing or leading the government; this year it has lowered its voice, however. In this connection, Yi Kon-hui, president of the Hyundai Group, reportedly instructed group officials to "refrain from taking an offensive stance for the time being and to try to improve the group's external relations."

Since the beginning of this year, *chaebol* have shifted to a conspicuously low posture. In fact, it was not because of any new framework based on a hard-line approach on the part of the present government's *chaebol* policy itself. The proposed revision of the Fair Trade Act, made public on 24 January, specifically illustrates the direction of the government's so-called new *chaebol* policy. The focus of the proposed revision is on inducing the big businesses to break up their ownerships. The message is that if they do well with the ownership breakup, the government will go all the way to foster enterprises and guarantee their free business expansions. The government's new *chaebol* policy, in large part, retains the old framework of the former, pro-*chaebol* globalization strategy.

Fears of business circles come from the fact that the government policy is friendly to them only in its wording, that the policy they actually feel physically is not friendly. Therefore, they are deeply dissatisfied with President Kim's government at heart. They complain that "at a time when efforts are under way for globalization, policies actually being pursued by the government seem to be going backward. Even with their restructuring plans, *chaebol* are required to take them up with Chongwadae and obtain its approval. The government has significantly stepped up its interventions compared with the Sixth Republic days."

Few people would welcome the remarks by FKI President Choe Chong-hyon beautifying enterprises that expand their business lines like an octopus spreading its arms. But it was government authorities who were hurt more by the Choe furor. None other than Chongwadae and President Kim were hurt most. Economic experts, who have been following the administration's policies toward *chaebol* since the start of the present government, sarcastically said that "it looks like President Kim dropped the stone on his own feet." Their critical observation is that the president, who had been dancing to the *chaebols'* tune, slid into a self-contradiction by abruptly trying to put a curb on them. In the Ministry of Trade and Industry at least, high officials have openly been holding out the philosophy that "in our country the 'octopus arms-type' management is effective." Also, the Board of Finance and Economy has been devaluing the policy of business specialization itself, comparing it to a scrap of paper. There is enough persuasion in criticisms that the government, while lacking a coherent *chaebol* policy, has been putting on sheep's clothing and wolf's skin alternately depending on which way the president is looking.

"Looks Like He Dropped the Stone on His Own Feet"

Our *chaebol* still have many weaknesses. It is a fact that if the tax examination or the Fair Trade Act should strictly be applied, they could very well find it difficult to keep their businesses going. In other words, it is the reality that the government still can control *chaebol* by manipulating the intensity of tax examinations, FTC investigations, and financial regulations.

"The present government has carried out policies that are considerably pro-*chaebol*. Among them are those of internationalization, globalization, deregulation, and opening. In specific programs, too, it steadily has accommodated their views of management, even to a point where it appeared to be led instead of leading. Samsung's success in obtaining the license for branching out into the auto industry was viewed as a declaration that 'the government leaves business affairs to the businesses.' However, it can hardly be said that President Kim has willingly been dragged about by *chaebol*. While granting their requests about specific policy matters, he, in return, has been demanding that they thoroughly comply with his wishes."

With the official investigation into the movements of shares of the big businesses scheduled for March, each group seems to be in a tense atmosphere already. They seem to find it difficult to cast away fears that if they should inadvertently incur the government's ire, the consequences could be disastrous.

However, as Chong Chu-yong, honorable president of the Hyundai Group, put it, "*chaebol* go on forever but an administration does not last more than five years." On the one hand, the Kim Yong-sam-style control of *chaebol* relying on power is good only for five years, while, on the other hand, pro-*chaebol* policies and social atmosphere that have begun taking shape during his presidency will live forever.

The heads of *chaebol* bow their heads now, only ostensibly. They know that the day is not far off when the seeds sown by President Kim's government will begin sprouting.

Cambodia

Phnom Penh Urges KR To Lay Down Arms

BK2605112395 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 25 May 95

[Station commentary: "The Khmer Rouge Must Stop Causing Misery and Suffering to the People"]

[FBIS Translated Text] Speaking to members of the fourth peace march in front of Chan Chaya Palace on the evening of 24 May, his majesty the king called on his children in the ranks of the Khmer Rouge [KR] to stop bullying our poor people in remote villages and communes.

All our people throughout the country still well remember that, from the time he came back to our motherland, his majesty the king has repeatedly made this kind of an appeal. However, not only have the hardheaded Khmer Rouge ringleaders ignored his appeals, they have also ordered their soldiers to launch successive attacks on people's localities, thus causing countless war refugees in Battambang and a number of other provinces.

As followers of the Buddha, our people regard these criminals as unredeemable devils. This means that so long as they live, the people will not be in peace. To enable the people to enjoy peace and security and the country to develop, it is necessary to get rid of them.

All observers say it is clear that the Khmer Rouge are no longer an important problem for Cambodia; the important problem is socioeconomic development. Regarding the question of integrating the Khmer Rouge into society for the sake of national reconciliation, that is already too late. The Khmer Rouge have already been outlawed by the National Assembly. The Khmer Rouge are no longer a political or military organization as they had been within the SNC [Supreme National Council] before the election. They are no longer a counterpart for talks with the elected Royal Government. What the Royal Government has to consider is not accepting the Khmer Rouge as a political organization but accepting some of their people as individuals for integration into our national society. This is what is acceptable as fas national reconciliation is concerned.

So far, the Royal Government has integrated thousands of Khmer Rouge soldiers and officials and their families into our national society. We will pursue this policy of integrating these people into national society. However, as is known to all, the habit of the Khmer Rouge ringleaders has been to live outside society. They have been living in the forests since the 50's, 60's, and even in the early 70's. Moreover, even when they were in power in 1975, they lived outside the people, and killed them. This is why later on even when we opened the door for them to have a legal presence, they did not come into society. They are no more a political or military organization. Therefore, if the Khmer Rouge want to survive, they must cease all their cruel and barbarous activities, stop wreaking havoc on the nation and people, and lay down their weapons and return to live in the national society. This is the only alternative they have.

'Perfidious' Khmer Rouge Offensive Condemned

BK2405125195 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 23 May 95

["Political commentary": "The Khmer Rouge Remain the Khmer Rouge"]

[FBIS Translated Text] Last Saturday while our revered king and the Royal Government were praying to all the gods and sacred objects, calling on them to kindly bless the Cambodian people with sufficient rainfall in this rainy season so that they can surmount famine by growing more crops for consumption, the Khmer Rouge rebels issued an order through their clandestine radio calling for intensified offensives against our Khmer Royal Armed Forces [KRAF] and people.

The rebels regard the rainy season as the most favorable opportunity for them to launch attacks to destroy people's lives and property and prevent our peasants from growing crops to earn their living. This is because the KRAF and military vehicles in particular cannot move quickly enough to save the people's lives and property.

This criminal order expresses unambiguous contempt for his majesty the king who, during the recent plowing ceremony, made an additional appeal to all the millionaires and the rich in Cambodian society to help resolve the many problems in their country, such as by helping to relieve the famine among the poor people in the countryside.

Such a perfidious order issued at this time clearly reflects the wicked nature of the Khmer Rouge ringleaders who, in lip service, have kept bragging about their love for the nation and people but, in actual deeds, are killing the people and destroying their property in a most barbarous manner.

It is known to all that, because in the past year our motherland was hit by floods in the middle of the planting season and drought at the end of the season, our people cannot produce sufficient rice and other crops for consumption. In addition, our people in a number of remote areas, especially in the northwestern part of the country, were victimized by the Khmer Rouge rebels, who sneaked into their villages to burn down their houses and kill them. This has caused our people to suffer a shortage of at least 300,000 metric tons of rice. This shortage has prompted the Royal Government under the shade of the throne to appeal for help in all possible forms from friendly countries and various generous international organizations. At the same time, the Royal Government has called on the peasants to prepare rice strains, fertilizer, and farm tools so as to be ready to launch the production drive in this rainy season in a timely manner.

However, the outlawed Khmer Rouge have not helped to alleviate the people's hardship. On the contrary, they have called on their men to intensify the assaults and invoke the flames of war against the people, thus causing more separation and destruction among our people.

Is this what they called a patriotic and nationalist spirit?

Indonesia

Economic Cooperation Accord Signed With Britain

BK2605110595 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 26 May 95

[FBIS Translated Text] Indonesia and Britain have agreed to forge economic cooperation in infrastructure development in Indonesia. Foreign Minister Ali Alatas and Baroness Chalker, British secretary of state for foreign and commonwealth affairs, signed the cooperation agreement in Jakarta this morning. The agreement specified that the British Government will allocate a 80-million-pound loan, which will be repaid over 25 years. The loan has a 3.5-percent interest with a seven-and-half-year grace period.

Speaking to reporters after the signing ceremony, Minister Alatas said he had briefed the British minister on various issues, including the human rights and East Timor issues. The human rights issue is not an obstacle in the way of British cooperation with Indonesia.

[Begin Alatas recording] The British Government adopts a balanced view toward the human rights issue, namely, while it attaches great importance to this issue, it does not believe that the human rights issue is above everything else. The British Government has thus far shown its interest and concern over the human rights issue in a proportional way. [end recording]

Commenting on Israel's decision to delay its annexation of a Palestine land in east Jerusalem, Minister Alatas expressed his hope that the annexation will be canceled because it runs counter to the UN Security Council resolution on the matter.

East Timor Talks Scheduled for 2-6 Jun

BK2605093895 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 26 May 95

[FBIS Translated Text] UN-sponsored East Timor reconciliation talks will be held in Austria from 2 to 6 June 1995. Speaking to reporters after meeting President Suharto at Merdeka Palace this afternoon, Lopez da Cruz, roving ambassador of the Republic of Indonesia, said that the political status of East Timor will not be discussed during the talks in Austria. According to Lopez da Cruz, the meeting will be a continuation of the first and second round of reconciliation talks in London, England, where a statement was issued. Roving Ambassador Lopez da Cruz said that the East Timor resistance will be represented by 14 people, including members of the Ramos Horta group in the coming meeting in Austria.

[Begin da Cruz recording] The president inspired us not to hesitate to convince our overseas East Timor friends that Indonesia has never hesitated to accept the East Timorese as Indonesian citizens with the same rights and obligations. We are all Indonesian citizens. We will therefore face our overseas friends on the basis of this approach. [end recording]

Meanwhile, Bishop Belo from East Timor has been chosen by the Vatican to attend the Austria meeting as an observer.

East Timor Military Commander on Reassignment

BK2605114195 Jakarta ANTARA in Indonesian 1001 GMT 26 May 95

[FBIS Translated Excerpt] Dili, 26 May (ANTARA) — The replacement of the commander of the Wiradharma Military Area Command 164, which has jurisdiction over East Timor, is something normal and has nothing to do with the "Liquica case."

"The replacement is normal and has nothing to do with the Liquica case at all," Infantry Colonel Kiki Syahnakri, commander of the Wiradharma Military Area Command 164, said in Dili on Friday.

He said this to reporters after receiving Tim Groser, New Zealand ambassador to the Republic of Indonesia. He was commenting on his replacement as commander of the Wiradharma Military Area Command 164, scheduled to take place on Saturday (27 May).

ANTARA learned that Syahnakri will hand over the command to Infantry Col. Mahidin Simbolon in a ceremony to be chaired by Major General H.R. Adang Rukhiatna Puriadireja, commander of the Ninth Udayana Military Region Command on Saturday.

Dailies Examine Scope of Deregulation Package

BK2605111195

[FBIS Editorial Report] Two Indonesian-language dailies published in Jakarta on 26 May carry two editorials on the 23 May deregulation package.

In an 800-word editorial entitled "Is the Recent Economic Deregulation Package Adequate?" on page 4, KOMPAS says that the people are pinning their hope on the latest deregulation package.

The daily says: "The people hope that the government will take various remedial measures to overcome the overheating economy, a high inflation rate, sluggish nonoil and nongas exports, and the fear of a possible devaluation. The people have long awaited a deregulation package capable of uprooting the causes of the ineffective market mechanism."

While noting that this deregulation package has a comprehensive scope because it has reduced the number of tariff posts, revised the negative investment list, offered incentives to industries operating in special zones, and eased import restrictions, KOMPAS questions why the government continues to retain the right of a group of businessmen to control certain primary commodities that affect the livelihood of many people.

The daily stresses: "Let us take sugar, flour, and soyabean as examples. The deregulation package does not cover these commodities at all, although we know their strategic importance for the people's daily life. As disclosed by the World Bank, Indonesian consumers must bear the burden of higher prices for these commodities a result of a monopoly in them."

Continuing, the daily, however, hails the government's commitment to creating an efficient and competitive national economy and agrees with the government that deregulation is a long process.

KOMPAS says: "Regardless of the weight, depth, and scope of this deregulation package, we are highly interested in the implementation of the measures that the government has undertaken."

"We realize that deregulation is not the only answer to various economic problems facing Indonesia. Even if we believe that deregulation will create an efficient economic life, a number of major problems, including the economic gap among groups, sectors, and regions, are already lying before us.

"On the one hand, deregulation is essentially designed to create a healthy and open competition. On the other hand, deregulation will very likely eliminate a number of economic players from the competition. Certainly, the weak — those lacking access to capital, markets, management, and technology — will be eliminated.

"We have felt this phenomenon since we consistently implemented economic deregulation in the 1980's. We have enjoyed relatively high economic growth thanks to economic deregulation. However, we have simultaneously felt a growing economic gap.

"As the objective of national development is to promote the welfare of all people, this problem should receive greater attention. We must reaffirm our commitment to deregulation, while simultaneously exploring, developing, and implementing various alternative policies to help the abandoned and the weak," KOMPAS concludes.

In an 600-word editorial entitled "The May Deregulation Package Is Not Appropriate," MERDEKA quotes President Suharto as saying on 15 September 1994 that protection should be abolished because it will not enable national businessmen to compete in the international market.

MERDEKA says: "Protection has certainly created a condition, which is not conducive to efforts to create strong industries, and has led to a high-cost economy in Indonesia. We cannot afford to allow the condition to drag on."

The daily notes that we expressed a sigh of relief over the deregulation package because we were hoping that the Indonesian economy, which tends to overheat, would cool down and the high-cost economy would gradually be curbed.

Continuing, MERDEKA agrees that such sectors as land, sea, and air trasnport and strategic industries that affect the livelihood of many people must be protected. Nevertheless, the daily stresses that such industries as pulp and cement should no longer be protected and asks whether prolonged protection will simply benefit business conglomerates and burden the people.

Concluding, MERDEKA urges the government to reassess its economic policy because the globalization era is at our doorstep.

"Let us reassess the economic policy that we have implemented over the past two decades to see whether or not it has strengthened the resilience of the national economy and enabled us to compete in the international market. By so doing, we will also be able to see whether the policy conforms with the guidelines set by the head of state. Time is moving on and is never tolerant with developing countries."

Laos

Foreign Minister's Visit to Malaysia Reviewed

BK2505132095 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 May 95

[FBIS Translated Text] In response to an invitation from His Excellency [H.E.] Abdullah Ahmad Badawi, the Malaysian foreign affairs minister, H.E. Somsavat Lengsavat, our Lao foreign affairs minister, and his delegation paid an official visit to Malaysia from 20 to 23 May.

During the visit, Foreign Affairs Minister Somsavat Lengsavat paid a courtesy call on H.E. Mahathir Mohamed, prime minister of Malaysia. The talks between guest and host proceeded amid a cordial atmosphere. Foreign Affairs Minister Somsavat Lengsavat also held discussions with his Malaysian counterpart on bilateral cooperation and exchanged views on ways to strengthen the long-standing friendly relations between Laos and Malaysia. These relations have been effectively consolidated in many fields and increasingly strengthened.

On the morning of 24 May, Foreign Affairs Minister Somsavat Lengsavat and his delegation returned home across the Friendship Bridge, ending their four-day visit to Malaysia. At the Friendship Bridge checkpoint in Vientiane, Somsavat Lengsavat gave an interview to reporters. He said: During the consultative meeting in Kuala Lumpur, the capital of Malaysia, Malaysian Foreign Affairs Minister Abdullah Ahmad Badawi stressed cooperation between the two countries, especially cooperation in the political, economic, trade, and cultural fields. He also informed the Lao side of the acceptance of Lao diplomats for training in Malaysia. He added that Malaysia has agreed to help Laos develop and train English teachers and coaches for rattan ball and badminton players as well as athletes in other fields.

During the visit, our Lao foreign affairs minister also met with Malaysian businessmen who are interested in investing in Laos.

Prime Minister Receives SRV Army Delegation

BK2505134295 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 May 95

[FBIS Translated Text] Yesterday, Prime Minister Khamtai Siphandon received a courtesy call in Vientiane from a delegation of the General Political Department of the Vietnam People's Army [VPA] led by Lieutenant General Le Kha Phieu, chief of the department, which is currently on a visit to the Lao People's Democratic Republic [LPDR]. The delegation began its visit to the LPDR on 11 May.

Prime Minister Khamtai Siphandon welcomed the visit to Laos by the VPA General Political Department delegation. He noted that the visit has further strengthened and enhanced the friendly relations, special solidarity, and all-around cooperation between Laos and Vietnam. Lt. Gen. Le Kha Phieu briefed the prime minister on the outcome of his delegation's meetings and talks with Lt. Gen. Siphon Phalikhan, head of the General Political Department of the Lao People's Army, and his delegation. During the meeting, he said, the two sides highly appraised the good traditional relations between the Lao and Vietnamese Armies in general and between the two General Political Departments in particular. The two sides also highly assessed the fruitful achievements recorded in cooperation in various fields in the recent past. The two delegations also discussed and put forth directions for cooperation in dealing with certain issues in the immediate future.

Earlier, at 1600, Lt. Gen. Choummali Sai-gnason, our Lao national defense minister, received Lt. Gen. Le Kha Phieu and his delegation. The meeting between guest and host proceeded amid a friendly atmosphere.

The VPA General Political Department delegation will end its visit to Laos today. During its eight-day visit, the delegation visited a number of Army units and economic and cultural establishments in the capital, Vientiane, and other provinces.

Thailand

UN Representative Comments on Lao Refugees

BK2605075195 Bangkok THE NATION in English 26 May 95 p a6

[Report by Don Pathan]

[FBIS Transcribed Text] The number of Hmong refugees in Thailand applying to return to Laos has declined despite the favorable political climate in the country as said by returnees and foreign observers who visited the country, Representative for the United Nations High Commissioner for Refugees [UNHCR] Ruprecht von Arnim said.

In an interview with The Nation, Von Arnim said the application for repatriation by Hmong refugees in Ban Napho, Nakhon Phanom Province, has dropped by 90 per cent over the last few months. Von Arnim said that up until last September there were about 1,000 applicants per month. The number steadily dropped from September 1994 to February 1995 to about 200 to 300 per month and is now down to around 100 per month, von Arnim said.

He put the decline down to United States legislators who are debating whether to grant asylum for Hmong refugees residing in Thailand who wish to emigrate to the U.S.

National Security Council deputy secretary-general Khachatphai Burutphat refused to comment on the possibility that the U.S. may allow more Hmong refugees to migrate to the U.S.

Earlier this year before the number of application dropped, UNHCR had hoped that 5,000 to 6,000 Laotian refugees would have returned to Laos by the end of 1995 and that the remaining 5,000 to 6,000 would return the following year.

Von Arnim said he had visited the "integration" sites in Laos and stated that he was quite satisfied with the set up, especially the infrastructure that connects these rural sites back to Lao communities. He thought these sites as perhaps the best possible solution for integrating Hmong refugees into Laotian society in a respectable manner.

The idea behind the sites goes beyond the simple concept of reception stations that mainly do administrative work, Von Arnim said.

He said that Ban Napho was a camp that handles only people repatriating, not people wanting to settle in a third country. Presently, most of the Hmong refugees in Thailand reside in Ban Napho supposedly waiting repatriation.

Thailand is expected to end its refugee assistance programs by the end of this year, by which time all the refugees will either be repatriated back to Laos or be relocated in a third country.

According to Khachatphai, the refugee assistance program in Ban Napho has been closed since the end of 1994 and at the present, the site is used for housing Laotians refugees who voluntarily agreed to go home.

Currently, the U.S. House of Representatives is debating a legislation about allowing more Hmong refugees to enter the U.S.

Minister Agrees With Tokyo on Trade Dispute

BK2605073295 Bangkok THE NATION in English 26 May 95 p b1

[FBIS Transcribed Text] Japan yesterday informed Thailand of its petition to the World Trade Organization (WTO) to solve a trade dispute between Japan and the United States.

Hidehiro Konno, director-general of the Economic Cooperation Department of the Ministry of International Trade and Industry (MITI), met with Deputy Commerce Minister Chaiyot Sasomsap yesterday.

Chaiyot said he agrees with the Japanese move. Japan filed the petition concerning the current auto dispute to the WTO on May 18 and the United Sates must negotiate with Japan by May 28, Chaiyot quoted Konno.

The U.S. has threatened to slap a 100 per cent import tax on cars imported from Japan if its government fails to open the country's car market.

Konno told Chaiyot that the U.S. does not understand the car market in Japan.

Chaiyot said that according to Konno, the Japanese market for sub-3,000 cc cars is open — the problem arises from the fact that the U.S. wants to expand this openness to luxury cars.

Benefit Seen From U.S.-Japan Compromise

BK2605075395 Bangkok THE NATION in English 26 May 95 p b3

[FBIS Transcribed Text] Thailand stands to gain if the United States and Japan manage to reach a compromise in their dispute over the automotive and parts trade.

If a deal is struck, U.S. firms are likely to establish manufacturing plants in this region to increase exports to Japan, according to Thai Farmers Research Center Co Ltd.

In an analysis of the much-heralded dispute, the company said Thailand is one of the countries which could increase auto part exports to Japan through U.S.-owned plants such as Dana Corp.

Besides, the country will gain from a less restrictive Japan, especially in agricultural products, if the United States presses Japan further.

If no compromise is reached, the trade war between the United States and Japan will likely prompt the latter to retaliate by banning U.S. imports, especially farm products. In this scenario, Thai agricultural goods, such as rice, would be able to substitute for part of Japan's imports of U.S. goods.

Japan is also likely to show increased interest in joining regional trade groupings, such as the East Asia Economic Caucus proposed by Malaysia, in response to the trade war. Japanese participation would greatly increase the region's bargaining power in trade issues.

However, the negative side of the U.S.-Japan dispute is that the United States may pursue the same aggressive policies with other trading partners currently enjoying trade surpluses with the world's largest economy — Thailand may experience side-effects.

In 1994, Thailand recorded a trade surplus of Bt77.8 billion with the United States, up 17 per cent from the previous year.

Thailand's new government, to be formed following the July 2 general election, will need to closely monitor the U.S.-Japan trade dispute, the outlook of which remains uncertain, the research company said.

It added that Thailand will have to adjust its international trade strategies in response to the outcome while preparing to reduce the impact of future trade disputes.

The latest U.S. demands are for Japan to increase its voluntary imports of U.S.-made car parts, liberalize the car dealership system in Japan for imported brands, and amend the "overly-strict" safety rules on parts and spare parts which the United States claims are more rigid than those in other industrialized nations.

Official Urges Retention of Danai at WTO

BK2605103895 Bangkok BANGKOK POST in English 26 May 95 p 17

[FBIS Transcribed Text] Thailand's head representative at the World Trade Organisation, Danai Dulalampha, should be able to keep his position despite the House dissolution, according to Deputy Prime Minister Suphachai Phanitchaphak.

The move would help continue negotiations to increase the bargaining power of small countries in the WTO.

Mr Suphachai said that if Mr Danai held his position, it would benefit a plan to restructure the agriculture sector of major crop producing countries.

The WTO representative is a political position and Mr Danai was just appointed chairman of the WTO's agriculture committee in February. His term ends when a new Government takes over after the July 2 election, but his term can then be extended.

Mr Danai's term is expected to get the nod of the new Government because he has played a significant role in helping major crop-producing countries by trying to increase their yields to compete in the global market.

The WTO's agriculture committee is expected to consider regulations aimed at encouraging members to conform with the General Agreement on Tariffs and Trade in June.

Countries which do not conform will be banned from future negotiations. If a resolution cannot be found, the WTO's dispute committee will be asked to step in.

Mr Suphachai said that if the chairman of the WTO's agriculture committee was given to the representative of another country, there was a danger more focus would be on livestock instead of products which are more important for Thailand.

Former Foreign Minister Thaksin Chinnawat said he agreed Thailand should further Mr Danai's term.

In another development, Dr Suphachai said the new Government should continue moves to introduce an International Economic Policy Office under the supervision of the International Economic Policy Committee.

It would then be able to help coordinate the Foreign, Commerce and Finance ministries and propose international trade policies.

Iran Asks Bangkok To Boost Oil Imports

BK2605062395 Bangkok THE NATION in English 26 May 95 p b1

[Report by NATION correspondent Wichit Chaitrong]

[FBIS Transcribed Text] Iran yesterday strongly lobbied Thailand to increase its oil imports from 15,000 barrels a day under the present agreement to 20,000 barrels a day, because it is feeling the effects of U.S. trade sanctions.

At the same time, the Thai Government suggested it could increase rice exports to Iran, an important rice customer.

Surong Bunlakun, vice-president of the supply trading department of the Petroleum Authority of Thailand (PTT), said Iran wanted Thailand to commit to purchasing 20,000 barrel a day.

"I told Iranian officials that Thailand would abide by its commitment to buy 15,000 barrels a day under the present agreement but they want to sell 20,000 or more barrels a day. We are trying to buy more, but I have told them that it is difficult for the PTT because we have to think about profits and losses," Surong said.

One problem facing the PTT is that crude oil from Iran contains heavy metal. PTT would have to buy high quality oil to mix with the Iranian oil in order to refine quality petrol, he said.

Earlier, the government agreed to give PTT compensation of U.S. $0.60 per barrel of Iranian crude oil to help with the cost of refining.

So far this year, Thailand has imported 6,000 barrel a day, Surong said.

The two sides will conclude negotiations today, he added.

Meanwhile, Commerce Minister Uthai Phimchaichon said the volume of Thai rice imported by Iran has decreased by 50 per cent from last year. He made the statement at the fourth session of the Joint Commission of Economic Commercial, Industrial, Technical, Agricultural and Scientific Cooperation at the Shangri-La hotel.

In contrast, imports of Iranian goods have increased for virtually all commodities, he said.

Last year, Thailand's rice exports to Iran amounted to only 100,000 tones,down from an average of 300,000-400,000 tones.

Total trade volume between the two countries decreased to Bt4 billion from Bt5.1 billion, largely because of a decrease in the rice trade.

Sakon Hansuthiwarin, director of the Grain Division of the Foreign Trade Department, said Thailand suggested Iran sign a one year rice purchase contract.

Thailand and Iran have already signed a 200,000 tone-rice deal this year.

Mohammad Gharazi, Iranian minister of post, telegraph and telephones and leader of the Iranian delegation, said Iran is prepared to expand Thai-Iranian relations in all aspects including commerce, industry, technology, science and agricultural relations.

Iran, Thailand Commission Sign Economic Memo

LD2605104795 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 26 May 95

[FBIS Translated Text] This morning, at the end of the fourth session of the Joint Iran-Thailand Economic Commission, an economic memorandum of understanding was signed between the two countries:

[Unidentified correspondent from Kuala Lumpur] On the basis of this memorandum of understanding, economic, commercial, industrial, technological, and agricultural cooperation between the Islamic Republic of Iran and Thailand will increase more than ever before. The increase in oil exports from Iran to Thailand will reach up to 15,000 barrels per day, and the increase in rice imports from Thailand will increase up to 400,000 tonnes per year.

Among the other main points of this agreement are the utilization of land, sea, and air transport facilities of the Islamic Republic of Iran for exporting goods from Thailand to Central Asia and Eastern Europe, and making use of Thailand's facilities for transporting Iranian goods to ASEAN member countries, as well as joint efforts for increasing the level of bilateral commercial exchanges to $1 billion.

This memorandum of understanding was signed on behalf of Iran by Engineer Mohammad Gharazi, the Iranian chairman of the joint Iran-Thailand Economic Commission and minister of Post, Telegraph, and Telephone; and on behalf of Thailand by Commerce Minister Uthai Phimchaichon, the Thai chairman of the Joint Commission.

Minister Reports on Iran Shrimp Joint Venture

BK2605110995 Bangkok BANGKOK POST in English 26 May 95 p 28

[FBIS Transcribed Text] Thailand and Iran will invest in a joint project to raise brine shrimp, according to Commerce Minister Uthai Phimchaichon.

Mr Uthai said both countries' fisheries departments would cooperate in the production of brine shrimp which is used by shrimp farms as food for shrimp grown for human consumption.

The two countries announced their cooperation plan at the fourth meeting of the Thai-Iran Commission for Cooperation which promotes closer ties between the economic, commercial, industrial, agricultural and scientific communities of the two countries.

While the brine shrimp will be raised in Iran where the very salty ocean is a perfect habitat to raise the species Thailand will supply the technology for the project.

Each year Thailand spends about one billion baht to import brine shrimp from the United States, currently the only country in the world which has been able to raise brine shrimp successfully.

Thai exports of frozen shrimp last year were worth approximately 50 billion baht.

During the meeting, the two sides also discussed Thai rice exports and Thailand asked for a change to the agreement regarding rice sales to Iran. The Thai-Iranian rice agreement follows Iranian terms which specify that the rice, shipping conditions and cargo weight must be inspected and verified in Thailand. Thailand wants the inspections to be conducted at the Iranian destination.

Representatives from the two countries also discussed Thai oil imports from Iran, with Thailand requesting that Iran ship oil to more delivery points in Thailand.

Trade volume between Thailand and Iran last year was about 4.3 billion baht, with Thailand having a trade deficit of 561 million baht. Thai exports to Iran included rice, sugar, electrical transformers, ready-made shirts, medical equipment and rubber trees. Thai imports from Iran included metals, minerals, crude oil stove oil, iron and steel.

Chuan Dismisses Cambodian Log Shipment Issue

BK2605085295 Bangkok THE NATION in English 26 May 95 p a5

[FBIS Transcribed Text] Prime Minister Chuan Likphai yesterday dismissed the Global Witness reports as mistaken, saying Thailand no longer trades with the Khmer Rouge.

"The foreign community already recognizes the present government's policy against doing business with the Khmer Rouge," Chuan said.

He said the log shipments noted in the reports might have been from a shipment pending before the ban on the export of Cambodian logs and processed lumber took effect on May 1.

However, Chuan said he would ask authorities, including the National Security Council and Foreign Ministry, to look into the matter.

Chuan said the log trading was a matter between logging companies and the Cambodian government, not the Khmer Rouge.

"Don't get mixed up," he said.

"If we knew logs were coming from the Khmer Rouge, we would not allow them in," Chuan added.

Deputy Foreign Minister Surin Phitsuwan said the Ministry would investigate.

"We want to show our sincerity in complying with our neighbor's regulations," he said.

Chanthaburi-Trat Task Force representative Rear Admiral Somphon Suthorahaetra vehemently denied that any log-bearing barge had docked at Kalapantha port, saying the route was under the total supervision of the force.

The area is under martial law and cannot be penetrated by any influential group, Somphon said.

He confirmed, however, that presently the Chao Phaya Arcanae Co. was authorized to import logs through Map Tha Phut port in Rayong.

Army Commander-in-Chief General Wimon Wongwanit yesterday denied allegations made by the environmental group "Global Witness" that Thai companies maintain business links with Khmer Rouge guerrillas.

Wimon also warned the media against falling prey to rumors and suggested the press only report the facts.

"We are talking about logs not toothpicks. How can we hide them in a suitcase? The most important thing here is to present the facts.

"If we stand by the truth, even if we say it 100 times, it will always be the same each time. But this is not the same for a liar. The people will be the judge as to what is right and what is wrong," Wimon said.

He said that the Cambodian government's ban, imposed on April 30, would not send Thai businessmen scurrying to deal with the Khmer Rouge.

"The logging contracts are issued by the Cambodian Interior Ministry which collects taxes no matter where the logs come from.

"In the past, Thai soldiers were accused by some international organizations of dealing with the Khmer Rouge but we conducted a tour of the An Ma pass to disprove that allegation," he said.

Company Denies Violating Law

BK2605060395 Bangkok THE NATION in English 26 May 95 p A5

[FBIS Transcribed Text] A Thai firm accused of breaking Cambodian law by continuing to export logs to Thailand despite the expiration of an amnesty for such shipments has denied any wrongdoing.

The denial follows statements made at a press conference on Wednesday, when a London-based nongovernmental organization [NGO] called Global Witness claimed the Chao Phaya Irrawaddy Co Ltd and several other firms were defying a log export ban imposed by the Cambodian government.

The ban was initially put in place on Jan 1 this year, but an amnesty for the export of already-felled logs was extended until April 30.

During an investigation carried out at the beginning of this month, Global Witness investigators Patrick Alley and Simon Howarth said they saw ships arriving from Koh Kong in Cambodia unloading logs belonging to Chao Phaya Irrawaddy Co Ltd at Map Ta Phut Port in Rayong Province.

Two of the ships — the MV Dmitris N and the CIC 2 Barge Attila 3 Yawson 102 — arrived on May 1 and delivered about 2,200 logs (11,000 cubic meters). The TKS 20 Barge CTI 1, CTI 8, Songsak I arrived on May 3 with about 350 logs (1,750 cubic meters). On May 7 the CIC 2 Barge Diana I,II,III delivered 787 logs (4,000 cubic meters), and on May 8 the Royal Ocean Barge Seahorse 92 offloaded about 300 logs (1,500 cubic meters), according to Global Witness.

The trip from Koh Kong takes only 48 hours, Alley said, so while the first two ships may have left Cambodia before the end of the amnesty period, the latter three must have broken the ban.

But the company's managing director, Thirasak Chaturaphomprasit, yesterday denied any wrong.

He said that three of the ships in question — the MV Dmitris N, the CIC 2 Barge Attila 3 Yawson 102, and the CIC 2 Barge Diana I,II,III — did belong to his firm and did arrive as reported by Global Witness. But the shipment which arrived on May 7 was delayed en route, which was why it arrived so late, he said.

"It got stuck at low tide, and so did not leave Cambodia until May 1, with permission from Cambodian officials," Thirasak said.

"The shipment then had to wait outside Map Ta Phut at Koh Ket for three days before the pilot master allowed it to be brought in.

"Global Witness should get information about when the boats left Cambodia before making accusations," he said.

Thirasak said the Royal Ocean and the TKS 20 boats did not belong to Chao Phaya Irrawaddy.

Global Witness said timber-bearing ships from Cambodia also arrived at Kalapantha harbor in Trat Province.

Alley and Howarth said they videotaped interviews with Thai logging company employees in which the traders described the logging deals made with the Khmer Rouge.

Alley said their findings contradicted an earlier statement made by Deputy Foreign Minister Surin Phitsuwan, who was quoted as saying, "We respect the laws and regulations of the countries we do business with, whether logging, gems or fishing ... Everything is by the rules of that country so it cannot be said we destroyed their environment."

Alley also noted that some of the Thai-held logging concessions in Cambodia came under agreements sanctioned by both the Cambodian government and the Khmer Rouge, and some deals were made directly with the Khmer Rouge.

Alley said he believed the Cambodian government's awarding of a massive 800,000-hectare logging concession to Malaysia's Samling Company had led Thai firms to seek more deals with the Khmer Rouge. Samling would probably try to export its logs to Malaysia, Alley said.

Ministry Writer Questions Money Laundedring Law

95WD0270A Bangkok MATICHON in Thai 7 Apr 95 p 9

[Article by Miphat Potranan, from the Ministry of Justice magazine]

[FBIS Translated Text] There have been reports in newspapers concerning the law for controlling money laundering, which is similar to those used in some other countries. And if law makers decides to change the law, then a new law could be drafted in the near future. The law would stress the investigation of laundered money coming from drug trafficking. It also allow law enforcers to check irregularities in deposits and withdrawals, or transfers made through financial institutions, commercial banks, and investments in the securities market.

With regard to this money laundering law, I made the following observations: the United States is the country with the most drug trafficking in the world. It is an enormous industry requiring a tremendous investment. The mafia is the crime family generally involved in drug trafficking. The main reason why U.S. society is having the biggest problem with drugs in the world is that the mafia has no way of putting the enormous profits from drug trafficking into the economic system by investing in U.S. business and industry. The U.S. money laundering law is blocking the Drug money flow. The mafia is forced to invest the profit into expansion of its drug trafficking or other activities even though they are well aware that they could be severely suppressed, arrested or imprisoned at any time.

This causes great concern. Adopting a money laundering law in our country would have negative effects similar to those experienced in the United States because it would indirectly force the drug traffickers in Thailand to operate outside the law continuously in the future with no way of getting into better business. This would not make the drug problem decrease, but increase.

Therefore, applying a money laundering law in Thailand would probably not deter drug trafficking, but instead, drugs continue to be a big problem for Thailand. We should be very cautious about adopting a law modeled after the U.S. law especially with regard to the legal principles which apply to crime control in the United States. For example, the legal principles protect defendants in criminal cases and give them broad rights to contest the cases brought against them. This is an important factor making the United States the country with the most crime and violence in the world.

Another important consideration is that drugs are generally sold to drug addicts in Thailand by small drug dealers so that each dealer would not have enough money to cause officials to be suspicious or to check whether the money which the dealer brought into the system came from drug sales. So the money laundering law would probably not reduce our problem of drug addiction.

As for the large-scale drug trafficking involving dealers who are very wealthy, there is no evidence that many exist in Thailand. This is probably due to the fact that Thailand does not have a drug-trafficking mafia as there is in the United States. And also many drug traffickers have been arrested and punished as a matter of course. As for those who somehow avoided arrest, they must have been skillful and involved only temporarily when they did not have enough capital to enter business or invest in various businesses.

But when these people gained enough money to invest in the system honestly, they had the confidence to quit drug trafficking and invest in the nation's economic system. There is the opportunity for investors to become very wealthy more easily and quickly in land development, business and industries than in drug trafficking in our country with great economic growth. So there was no reason for our people to return to drug trafficking. Violators will eventually be arrested and imprisoned, or even executed as well as having their assets seized under the drug laws.

In the newspaper PHUCHATKAN on 30 June 1994, an assistant director of the securities market of Thailand said that there might be a problem in applying the money laundering law. In theory it might appear to be easy, but in reality it would be complex.

Money laundering would have to be reported by bank officials if the U.S. model were used. The banks would have to report any transfers, withdrawals or deposits which bank officials felt were unusual. In general these would be the normal transactions of businesses or honest personal transactions of the people. But this would create great difficulties for the people reported.

And there would probably be criminals who were freed because the government officials reporting these transactions to the police would usually do not have expertise in investing, trading, and other business procedures in general, so that the officials would not be able to make the quick judgement on businessmen who are depositing, withdrawing or transferring money. Officials, therefore, might misjudge a case, confiscate money, and jail the owner of the money even though that money was clean. This would cause great losses and difficulties for businessmen and the people. For example, any profit on the purchase and sale of stock must be reported and one must produce witnesses and evidences to show that the profits are clean. If he cannot prove it under this law, the money would considered "dirty" and would have to be confiscated. Moreover, the owner of the money will be jailed.

For this reason, investors would be afraid to invest in businesses and this would affect the entire economic system, further affecting the average income and the standard of living of the peopl. Even the United States has been affected by its money laundering law - this is one reason that its savings rate is so low (only about 4 percent of its GNP), and that the U.S. economy is not flourishing.

Bank officials as well as government officials may be trained to understand how money laundering differs from the deposits, withdrawals and transfers of an honest businessmen. But I believe that the various problems are not something that can be solved easily because government officials, in particular, do not have business sense, and they themselves know that they cannot be trained well. It requires a great deal of skill, talent, and broad experience.

Additional problems are that efforts are being made by bank officials, financial institutions, police and prosecutors to block money laundering. The same could be said about businessmen and investors who provide evidence to show that their clients' transfers, withdrawals, deposits, and investments in the securities market etc. were honest. If these problems are not solved, we would have an unfortunate economic loss.

One might say that if we should prevent money laundering, and are required to prove that our money were acquired honestly — even though in our country the amount of money coming from drug trafficking is very small — we would have less time, manpower and brainpower to develope our country quickly, and our people would be less well off.

In summary this money laundering law, in addition to being unnecessary and disadvantageous, would be a drag on the progress of the country. This is something we should think about.

Cabinet Endorses Insurance Liberalization

BK2605113495 Bangkok SIAM POST in Thai
24 May 95 pp 1, 26

[FBIS Translated Text] A SIAM POST correspondent reported that the Cabinet on 23 May approved the issuance of the announcement of the Ministry of Commerce governing the conditions for setting up private or public companies to engage in life and non-life insurance businesses for 1995. The conditions was endorsed by the Cabinet on 11 April 1995.

The announcement stipulates that the application for permit to engage in insurance businesses must be submitted within three months and new insurance companies are not allowed to be related to the existing insurance firms in terms of management or equity holding.

Applications to set up insurance companies in provincial areas will be given priority consideration.

The Cabinet on 11 April approved in principle the insurance business liberalization plan incorporating six conditions, including the requirements for a life insurance company to carry a registered capital of 500 million baht and 300 million baht for a non-life insurance firm.

Applicants are required to put down an idemnity during the process of seeking the operation permits, which are not allowed to be transferred to other persons within the three-year period, except for the case of technology transfer; not more than 25 percent of the equity can change hands.

A new insurance company must be operated by an appropriate team of management and start operations within three months. The Ministry of Finance is assigned to set up a committee, chaired by the finance minister, to consider the applications and work out additional regulations.

The 23 May Cabinet resolution allows any qualified applicants to set up an unlimited number of insurance companies within three months.

The liberalization plan is divided into three phases. In the first phase, new insurance companies will be set up in the country.

The second phase will raise the foreign shareholding limit from 25 percent to 49 percent.

The third phase will allow foreigners to freely open insurance companies in the country.

The Petroleum Authority of Thailand, Charoenphokkhaphan (CP) Group, and Sahawiraya Group are expected to be the first groups to submit applications to the Ministry of Commerce.

The correspondent noted that the liberalization plan for insurance businesses is an important policy. However, the Chuan government did not inform the public about the Cabinet's decision on its endorsement.

At present, there are 79 insurance companies operating in Thailand. Twenty are are registered on the stock market. Sixty-seven are non-life insurance and 12 life insurance companies.

Normally, a permit paper for the setting up of an insurance company is sold for hundreds of millions of baht. Several private enterprises have reportedly been spending huge amounts of money in lobbying the Ministry of Commerce for the permit papers to set up life and non-life insurance companies.

BOT Says Confidence Boosts Capital Inflow

BK2605073195 Bangkok THE NATION in English 26 May 95 p b10

[Report by Charuwan Loetwinyu]

[FBIS Transcribed Text] Thailand's net capital inflow in the first four months of this year reached Bt151.5 billion, up 66 per cent compared to the same period last year and reflecting growing confidence in the Thai economy, according to the Bank of Thailand [BOT].

The capital inflow has helped eased Thailand's balance of payments in the first quarter of this year, turning the payments into a surplus of Bt23 billion against a deficit of Bt1O billion during last year's same period. Overall, international reserves reached Bt31.7 billion, up from Bt30 billion, in the first quarter of 1995.

The sharp increase in the capital inflow could be attributed to overseas borrowing by the commercial banks. In the first quarter of this year, capital inflow in the form of commercial bank loans reached Bt111.26 billion, bringing the net fixed liabilities of the commercial banking system to Bt539.4 billion.

In the non-banking sector, outflows reached Bt30.3 billion, incurred largely from the non-resident baht account as a result of the relaxing of foreign exchange controls.

Bandit Nitthawon, a deputy research director of the Bank of Thailand, said economic growth in the first four months of this year expanded consistently from the end of 1994 due to private investment and export growth.

"This year Thailand's economic growth should reach 8.5 per cent," he said.

The index of private investment in the first four months of this year increased by 15 per cent, compared to the same period last year and representing an increase for nine months in a row. There are no signs indicating that private investment is slowing down.

The central bank is also keeping a close watch on production capacity to monitor the growth of the economy. It earlier believed that capacity should be around 80.5-81 per cent.

"We'll be keeping an eye on production capacity to see whether it will increase beyond our initial forecast, Bandit said.

Exports, which have helped fuel the economic growth, reached Bt424.1 billion in the first four months of this year, up 26.4 per cent. This growth rate was beyond the initial target of 22-23 per cent.

Imports also surged beyond the target of 27 per cent in this same period to reach Bt522.3 billion. Bandit said most of the imports were capital goods, brought in for manufacturing.

The trade deficit reached Bt98.2 billion in the first four months of this year, while the current account deficit hit Bt57 billion in the first quarter or Bt70-75 billion for the first four months.

Editorial Views Election Campaign Spending

BK2605111395 Bangkok BANGKOK POST in English 26 May 95 p 4

[Editorial: "Is This Democracy or Big Business in Action?"]

[FBIS Transcribed Text] Just how big an amount is 17 billion baht? Most of us will never see, let alone touch, such a stupendous amount of money as 17 thousand million baht stacked together in one place. Nor could anyone possibly imagine what such a amount would look like. But we may have a clearer picture if this 11-digit figure is portrayed in a more tangible manner such as, for instance, what can be done with it.

With 17 billion baht, Bangkok motorists could have another expressway stretching as far as 34 kilometres, based on an estimated cost of 500 million baht per kilometre excluding the cost of land expropriation. Or a 6-7-kilometre-long underground train system which would help alleviate the traffic gridlock in the city. Or hundreds of new schools in the countryside with enough money in reserve to provide free lunches to tens of thousands of poor rural children for a couple of years.

But this whopping amount of money is not intended to be spent on any infrastructure projects in Bangkok, to build new schools or for any constructive purposes. Instead, it is to be spent within roughly 40 days by some 20 or so political parties contesting the July 2 election, particularly the big and financially strong ones.

The Thai Farmers Research Centre Company which provided the election spending estimate said the actual spending might be higher. According to the centre's report, the money will be spent on election campaigning and in "buying" promising candidates from other parties. Despite denials of the "buying" by some party leaders, gossip and rumours abound around town that between 5-8 million baht has been offered for any candidate who has a good chance of getting elected to switch parties. This is clearly manifested in the mass defection phenomenon taking place in financially-strapped parties.

Like a coin which has two sides, there is a bright side to the pre-election spending. The printing industry, for instance, will receive an estimated 2,000 million baht for printing election posters, pamphlets and other publications. Car sales will pick up with parties offering cars to their canvassers. Television and radio stations are expected to receive the lion's share of the spending by selling their air time to parties. The rural poor can also expect a pittance of the huge spending from canvassers if they agree to sell their votes.

On the darker side, "buying" of promising candidates during the run-up to an election, although not illegal, is morally wrong. A politician who has a price which is negotiable is even worse than a prostitute because the prostitute only sells her body, but the former sells his body and soul. And the party which indulges in the "buying" spree is no better than a visitor to a brothel whose patronage has kept prostitution alive.

It comes as no surprise at all that most of the candidates fielded by the major parties are the same old faces who appear to do more talking than acting. New generation politicians who more dedicated, more resourceful and, perhaps, cleaner, are simply not given an adequate chance because major parties do not want to risk the chance of losing. No wonder, the voters get so few real choices.

Despite the economic benefits, the heavy election spending, especially the amount paid to "buy" politicians with good prospects of winning the poll, does not bode well for democracy. The practice may turn out to be a breeding ground for corruption as the heavy spenders try to recoup their investment afterwards.

Although corporate techniques have been introduced and adapted by governments, running a corporation is different from running a country in at least one crucial area and that is the objective. For a corporation, the ultimate aim is to make a profit, the bigger the better. But to run a country, the ultimate goal of any administration is to bring about prosperity and happiness to its people.

But the way major parties are now spending their money, about 17 billion baht altogether and mostly in an economically unproductive and socially non-constructive manner, is a real cause for concern. It has also raised a question mark over whether this electioneering represents another exercise in experimental and evolving democracy or if it is just a business venture whose ultimate goal is profit-making.

Vietnam

Article Urges U.S. To Grant MFN Status

BK2605113295 Hanoi THOI BAO TAI CHINH in Vietnamese 4 May 95 p 6

[Article by Tran Xuan Kien]

[FBIS Translated Text] Drastic changes in the world in general and in Vietnam in particular are pushing the U.S. Administration to quickly take more positive steps toward the normalization of relations between the two countries. There have been many voices warning the U.S. Administration not to miss investment opportunities in Vietnam. The presence in Vietnam of investors from Japan, France, South Korea, Hong Kong, Singapore, Thailand, and so forth promises an ever better business environment. French businessmen are pouring more investment into Vietnam. A French high ranking official said: "To France, Vietnam is a priority of all priorities. Southeast Asia is experiencing an investment boom, while France stand very far behind others. We cannot let the chances slip away. This is an opportunity for us to anchor in Asia."

By February 1995 about 300 investment projects had been licensed with a total capital of nearly $12 billion. According to the source from the Projects Assessment Division under the State Commission for Cooperation and Investment, at present there are about 80 projects awaiting licenses with a total capital of $2.7 billion. It is obvious that the longer the reservation of the U.S. Administration toward Vietnam persists, the greater the loss suffered by the U.S. side will be. David Gibbons, president of U.S. Chamber of Commerce in Thailand holds that the American businessmen are being left behind "while their Japanese, French, Australian counterparts and others are rushing in to grab business opportunities in Vietnam."

One year after the lifting of embargo, the U.S. ranks seventh among foreign investors in Vietnam in 1994 with 20 projects worth $220 million. For the whole period of 1988-94, the U.S. ranks 14th. Some American companies have also signed contracts to import Vietnamese products. However, as long as the U.S. does not grant Vietnam the most favored nation [MFN] status, and in the absence of import-export bank credits and investment protection for investing companies and overseas investors, the American companies are unable to compete equally with other companies, regardless of their eagerness to come and do business in Vietnam.

The opening in early 1995 of the Vietnam Liaison Office in Washington, and the inauguration of the U.S. Liaison Office in Hanoi are promising signs. REUTERS on 3 February broadcasted a commentary on the U.S.-Vietnam economic relations saying that "Vietnam should be granted MFN status" so that Vietnamese products can penetrate more into the American market. On the same day BBC radio aired an interview on U.S.-Vietnam trade relations with Mrs. V. Foote, chairwoman of the U.S.-Vietnam Commerce Council. Mrs. Foote held that: "The issue that Washington now has to solve first is to establish diplomatic relations, then provide a number of government services for the American companies in Vietnam,... grant the MFN status...." American businessmen have missed many business opportunities in Vietnam in various economic fields because of the sluggish diplomatic policy of their government.

Let us hope that in the time to come, the Americans will not repeat this regrettable mistake.

Tokyo To Help Hanoi Introduce Market Economy

OW2605112695 Tokyo KYODO in English 0959 GMT 26 May 95

[FBIS Transcribed Text] Hanoi, May 26 KYODO — The Japanese Government will send a group of economic experts to Vietnam in June to help the country introduce a market economy and work out a national development program, officials said Friday [26 May].

The mission will be sent under an agreement reached by Japan and Vietnam in April during the Tokyo visit of Vietnam's Communist Party leader Do Muoi, said officials at the Japanese Embassy in Hanoi.

This is the first time that Japan will offer full-scale assistance to any country in laying out a national development project from scratch, they said.

The Japanese Foreign Ministry and the government-backed Japan International Cooperation Agency (JICA) will coordinate with academic experts in working out the project, the officials said.

Country's Relations With ASEAN Reviewed

BK2505142295 Hanoi Voice of Vietnam in English 1000 GMT 25 May 95

[FBIS Transcribed Text] Vietnamese Deputy Foreign Minister Vu Khoan recently took part in two ASEAN meetings and the ASEAN Regional Security Forum as an observer. Following is our review.

Vietnam is gradually getting ready to become an official member of ASEAN in July this year. At the two meetings that Mr. Khoan attended, ASEAN officials discussed methods to strengthen political and security cooperation in the region, and formality to admit Vietnam as a full member.

ASEAN was set up in 1967 in Bangkok in Thailand. Then ASEAN only had five members including Indonesia, Malaysia, the Philippines, Singapore, and Thailand. In 1984, ASEAN admitted Brunei as the sixth member. Since 1991, in the face of drastic changes in the world, the regional political situation has much improved. From a political organization, ASEAN has readjusted its focus to economic cooperation, and together with the Indochinese countries taken part in a process of regional cooperation to create a stable environment for development and expansion of market at the confront economic pressure from industrialized countries. The 1992 ASEAN summit conference held in Singapore decided that in the following 10 to 15 years, Southeast Asia will turn into a free trade area. ASEAN member countries all wish to expand ASEAN to cover all 10 Southeast Asia countries, so it will really become a stronger regional organization. ASEAN has changed into a political and economic regional organization to cope with inner political crisis.

In only two months, Vietnam will become a full member of ASEAN. It will help strengthen ASEAN economic power, and also Vietnam's economy. By joining ASEAN, Vietnam can better integrate into international community including Southeast Asian countries. After being a full member of ASEAN, Vietnam hopes to become a full member of the Asian Free Trade Association, and to take part in the Asia Pacific Economic Cooperation Organization, as Vietnam will really integrate into the common global trends for peace, stability, and cooperation and development.

Lighthouse 'Proof' of Sovereignty in Spratlys

BK2605144795 Hanoi VNA in English
1411 GMT 26 May 95

[FBIS Transcribed Text] Hanoi VNA May 26 — Vietnam has put into operation a new lighthouse on An Giang (Amboyna Cay) Island in the Spratlys after three months' construction. The construction work which began in February was undertaken by the Vietnam Maritime Navigation Security Company.

The An Giang lighthouse aims at ensuring safety for maritime transport activities in this area. The lighthouse not only has economic and technological significance, but also constitutes proof of the sovereignty of Vietnam in the Spratly archipelago in general, and An Bang Island in particular.

Vietnam has a coastal line of 3,260 km. It has one million sq. km of seas under its jurisdiction including two archipelagoes Hoang Sa (Paracel) and Truong Sa (Spratly) and a great number of other Islands.

Party Delegation Visits Cuba, Argentina

BK2605092795 Hanoi VNA in English
0518 GMT 26 May 95

[FBIS Transcribed Text] Hanoi VNA May 25 — A delegation of the External Relations Commission of the Communist Party of Vietnam Central Committee (CPVCC) led by its deputy head Do Van Tai paid working visits to Cuba and Argentina from May 18-24.

In Cuba, the Vietnamese delegation had working sessions with the Department of International Relations and the Economic Commission of the Communist Party of Cuba (CPC). It was received by Mr. Luis Alvarez Dela Nuez, member of the CPC Central Committee and head of the Economic Commission, and Ms. Melba Hernandez, member of the CPC Central Committee. It also visited Pinar Del Rio Province where positive economic changes are taking place.

While in Argentina, the party delegation was received by General Secretary of the Communist Party of Argentina (CPA) Mr. Patricio Echegaray and the CPA Political Bureau. The two sides informed each other of the situation of each party and state, discussed issues of common concern and measures to promote the relations between the two parties.

Argentian Deputy Foreign Minister Guillermo Gonzalez also received the delegation.

Government Official Views Vietnam-Vatican Ties

BK2605094495 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 9 May 95 pp 1, 5

[Interview with Nguyen Van Ngoc, deputy chairman of the government's Religious Affairs Committee, by an unidentified correspondent; place, date not given]

[FBIS Translated Text] [SAIGON GIAI PHONG] What is the present status of the relationship between Vietnam and the Vatican?

[Nguyen Van Ngoc] The relationship between Vietnam and the Vatican is a relationship between two countries with their own characteristics and traditions that should be respected. The core principles of the relationship, according to normal international practice, require the two sides to treat each other equally and with mutual respect. All problems must be solved on the basis of mutual agreement without coercion. Whenever disagreements arise, the two sides should meet to discuss them and reach mutually agreeable solutions. That is why five Vatican delegations have paid working visits to Vietnam. The Vatican has, on various occasions, announced that "the meetings with Vietnam were held in a frank, open, and respectful atmosphere." The two sides have reached agreement on various issues, and the implementation of the agreements has brought certain results. The head of the Vatican delegation affirmed that the Vatican "should continue the dialogue because it is the right path."

I think that if the Vatican continues in the proper direction with goodwill, equality, and respect for Vietnam's independence and sovereignty, the target of improving relations between the Vatican and Vietnam will be achieved.

[SAIGON GIAI PHONG] What is the status of the Vatican's appointment of bishops for dioceses in Vietnam?

[Nguyen Van Ngoc] The appointment of Vietnam Catholic Church dignitaries by the Vatican is an issue on which the two sides have reached agreement through concrete commitments. The Vatican selects prelates, discusses them with Vietnam, and with Vietnam's consent makes a decision and announces the appointments. The appointed prelates are totally free to carry out their duties within the framework of the Vietnamese Constitution and laws.

If Vietnam disagrees with a proposal, the Vatican is totally free to select another candidate acceptable to both sides, as previously agreed.

The Vietnamese side has done its best to abide by this agreement. Since the unification of Vietnam, the Vatican has made over 20 appointments and promotions of Catholic prelates in Vietnam. The majority of the present bishops were appointed after 1975 and have been working normally. Since 1989 there have been about a dozen successful appointments made in accordance with the agreement. Only in the recent case of Bishop Huynh Van Nghi did the Vatican breach the agreement, thus causing a dilemma for the Ho Chi Minh City Diocese and putting Bishop Huynh Van Nghi in a difficult situation. This is a mishap for the Vietnam Catholic Church, but the government profoundly understands the situation of the bishops, priests, and faithful, especially those in the Ho Chi Minh City Diocese.

[SAIGON GIAI PHONG] Why did the Vietnamese Government not allow Bishop Huynh Van Nghi to take up his religious position in Ho Chi Minh City?

[Nguyen Van Ngoc] The Ho Chi Minh City Diocese is a major diocese with special importance to the Vietnam Catholic Church. The work of the diocese has an important impact not only in satisfying the demand of the faithful for religious activities, but also on the social life of the city as well as the renovation, construction, and protection of the fatherland.

[Nguyen Van Ngoc continues] Since liberation, thanks to correct guidance provided by church leaders, religious activities in the city diocese have become increasingly stable and have developed well in tandem with the common progress of the city, thus contributing positively to the efforts to associate Catholicism with the Vietnamese nation as part of the universal national unity bloc.

We believe that every bishop assigned to supervise the Ho Chi Minh City Diocese must also pursue this beautiful path. The government is very concerned and sympathizes with the desire of the city's Catholic compatriots to have a deserving bishop capable of toeing a beautiful harmonious line that links the Catholic Church with non-Catholic people in the interests of the church and the Vietnamese nation.

Regrettably, the Holy See reneged on its agreement with the Vietnamese Government in the case of Bishop Huynh Van Nghi, whose subsequent activities also ran counter to the above guidelines, thus harming the city diocese and undermining the beautiful relationship between Catholics and non-Catholics. Even worse, Bishop Huynh Van Nghi's activities violated many ordinary legal statutes respected by all citizens.

As many Catholic clergymen and believers know, Bishop Huynh Van Nghi prohibited many routine church services long practiced in the city diocese, thus arousing indignation within the church. Many Catholics protested Bishop Huynh Van Nghi's move to prevent other bishops from coming to Ho Chi Minh City to officiate religious masses, to cancel intentionally various priest ordaining ceremonies while their preparations were in progress, and to ruin a joint prayer session between Catholic believers and bishops nationwide by canceling a joint prayer ceremony organized by the Vietnam Episcopal Council to mark the 1993 annual meeting of the city Catholic congregation at the Our Lady Cathedral.

Based on these incidents, the Vietnamese Government on several occasions informed the Holy See and the Vietnamese Episcopal Council that it did not agree to let Bishop Huynh Van Nghi work in the city in any position. It has also advised Bishop Huynh Van Nghi to restrict himself to serving the Phan Thiet Diocese.

[SAIGON GIAI PHONG] Why are some people in Vatican still firm in their stance of appointing Bishop Huynh Van Nghi to the Ho Chi Minh City post?

[Nguyen Van Ngoc] This is an interesting question that needs to be brought up with the Holy See and the Vatican. Whether or not the answer is satisfactory depends on the goodwill of the Vatican and its sense of equality and respect for Vietnam's independence and sovereignty.

This incident seems to be part of the Holy See's policy of "simultaneously appointing bishops under a package deal." After various working sessions, the Vatican recommended that the Vietnamese side jointly approve a list of nominees including Bishops Pham Dinh Tung, Nguyen Van Thuan, Huynh Van Nghi, and others. The Vietnamese side did not approve this package deal because it would deprive many dioceses of a bishop. After many years of deliberation, the Vatican side has admitted that its "package deal" policy is wrong. It has corrected this mistake by "depackaging" the deal to allow appointments to be considered on an individual basis. Under this new deal, the Holy See has appointed Bishop Thuan to a post in the Vatican and there have been shepherds named for the Hanoi and Thai Binh Diocese and the Hue Archdiocese.

As for the Ho Chi Minh City Diocese, acting in line with its package deal policy, the Holy See still tries to retain the same old list of shepherds to serve its key objective of nullifying the power of Archbishop Nguyen Van Binh, who commands great respect from laymen, clergymen, and people in the city. The Vietnamese Government has on many occasions rejected this solution and proposed that the Holy See stop imposing the apostolistic administration system on the Ho Chi Minh City Diocese and restore the position and power of Archbishop Nguyen Van Binh. That is a top priority. As for the appointment of new shepherds based on the current situation, this move should be carried out according to past agreements and regular procedures. This means that the Holy See should make necessary consultations with city church officials and select a shepherd who is approved by both sides. It is our belief that if the Holy See strictly abides by the agreements reached with the Vietnamese Government, the problem concerning church officials for the Ho Chi Minh City Archdiocese will be resolved quickly.

[SAIGON GIAI PHONG] What about relations with the Vatican against the backdrop of renovation in Vietnam?

[Nguyen Van Ngoc] The renovation undertaking in Vietnam has recorded important achievements and enjoyed the full support and participation of people countrywide as well as the appreciation of the world community.

Compatriots of different religions have positively contributed to the implementation and defense of the renovation undertaking. It is Vietnam's policy to accelerate the renovation process, including the renovation of the policy toward religions. The government has issued instructions on the need to amend and perfect laws on religious activities to make them consistent with the new stage of national development.

Nonetheless, due to their inherent hostile attitude toward Vietnam, a small number of foreign forces still cling to their dark schemes and try by all means to create instability and hinder the rapid pace of national development. It is our belief that being fully aware of their rights and duties toward the renovation undertaking, compatriots of different religions all concur with the use of necessary measures to firmly maintain stability and positively contribute to national construction and defense. Thus, it is necessary to keep religious activities within the bounds of law and guarantee strict implementation of state regulations governing relations between church organizations inside and outside the country.

When it comes to international relations, it is our policy to look to the future and befriend all countries in the world community for the sake of peace and development. The government is carrying out a foreign policy of multilateralization and diversification.

It is our hope that the Holy See will make adequate changes in keeping with the current trend of development in the world and with the truth that Vietnam is an independent and sovereign country. The Vietnam Catholic Church is an integral part of the Vietnamese nation as a whole.

Military Delegation Concludes Laos Visit

BK2605092495 Hanoi VNA in English
0527 GMT 26 May 95

[FBIS Transcribed Text] Hanoi VNA May 25 — A delegation of the General Political Department of the Vietnam People's Army headed by Sen. Lt. Gen Le Kha Phieu left Vientiane today concluding its nine-day official visit to Laos.

On May 24, the delegation was received by Chairman of the Lao People's Revolutionary Party (LPRP) Central Committee Khamtai Siphandon. Mr. Phieu informed the Lao party leader of the contents and results of his delegation's visit . He conveyed the best regards from Vietnamese party General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet to LPRP Chairman Khamtai Siphandon and President Nouhak Phoumsavan.

For his part, Chairman Khamtai Siphandon affirmed that traditional meetings and discussions between the two General Political Departments are very necessary and useful to the strengthening of the two armies, especially in the current period. He also expressed his pleasure at the achievements recorded by the Vietnamese people in renovation process.

Mr. Khamtai Siphandon asked Mr. Le Kha Phieu to convey his thanks and best regards to party General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet.

The same day, the delegation paid a courtesy visit to Sen. Lt. General Choummali Sai-gnason, Politburo member of the LPRP Central Committee and defence minister.

While in Laos, the delegation of the Vietnamese Political General Department held talks with its Lao counterpart informing each other of the latest development of their national construction and defence, and the achievements made in their renovation process. They also shared experience in the party building work, political work in the army as well as measures to promote the traditional ties between the two armies.

The Vietnamese delegation also toured a number of localities, their cultural and economic establishments.

Vo Van Kiet's Luxembourg Visit Previewed

BK2605134795 Hanoi Voice of Vietnam in English 1000 GMT 26 May 95

[Station commentary]

[FBIS Transcribed Text] Prime Minister Vo Van Kiet and his wife will leave for an official visit to Luxembourg and four Scandinavian countries next Sunday. We now review relations between Vietnam and Luxembourg.

Luxembourg is only a small country in Western Europe with the population of only 400,900. It has an open economy and developed industries, particularly in the fields of ore exploitation, rubber production, and chemistry. The Luxembourg banking system is among the best in the world. Over 200 leading world banks have branches in Luxembourg. Despite the economic recession in Europe, Luxembourg's economy has remained stable with potentials in steel, ferrous metals, medicine, satellite communications, aviation, and tourism.

Despite its size, Luxembourg has been concerned with and provided aid to third world countries. Since 1994, Luxembourg has granted to Vietnam $2 million in nonrefundable aid on annual basis, focusing on medical care, education, rural development, and construction of small- and medium-size infrastructure projects.

Scandinavian countries and Luxembourg are paying more attention to Southeast Asia, including Vietnam. Both Vietnam and Luxembourg wish to develop their bilateral relationship and cooperation to bring into full play their potentials. The two sides plan to cooperate in steel production. In the coming period, Luxembourg will provide Vietnam with medical assistance to carry out an expanded immunization program, to prevent the spread of the HIV virus, to improve the transportation and storage of blood, and to assist Vietnam with a long term plan for cooperation in aviation and tourism.

The visit to Luxembourg by the Vietnamese prime minister is to boost the existing, friendly, and cooperative relations between Vietnam and Luxembourg. The prime minister will be accompanied by an official delegation of 20 members as well as a large group of leading Vietnamese businessmen. This is a demonstration of Vietnam's will to gain experience in economic development and to step up comprehensive cooperation with Luxembourg.

On this occasion, the two sides plan to sign an agreement on blood transportation and storage, a process in which Luxembourg specializes. It is an opportunity for businessmen of both countries to have a better understanding of the situations in their respective countries. It is expected that the visit by Vietnamese Prime Minister Vo Van Kiet will further develop relations and cooperation.

Prime Minister Visits Chamber of Commerce

BK2605145995 Hanoi VNA in English 1411 GMT 26 May 95

[FBIS Transcribed Text] Hanoi VNA May 26 — Prime Minister Vo Van Kiet had a working session here yesterday with leading officials of the Vietnam Chamber of Commerce and Industry (VCCI).

VCCI President Doan Duy Thanh informed the prime minister of the achievements made by the VCCI since its 2nd national congress held in April 1993, including the expansion of the institutional organization of the VCCI and its activities with a view to integrate the VCCI into the organizations of commerce and industry in the world.

Speaking on the occasion Prime Minister Vo Van Kiet highly valued the achievements of the VCCI over the past two years, which, he said, contributed to expanding the trade relations between Vietnam and other countries in the world, and promoting the all-round development of Vietnam's economy and consolidating the ties and cooperation among the Vietnamese businesses.

The prime minister asked the VCCI to continue renovating its institutional organization and operation, and further expanding Vietnam's trade relations with international organizations and chambers of commerce and industry of other countries in the world, especially when Vietnam becomes a full-member of the ASEAN.

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